

# Education

## *Professional Development Program*

**Business Plan**

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# BUSINESS PLAN PROCESS



# Reasons for Writing a Plan

- **To serve as the guide**
- **Lenders and investors**
- **A business plan is the key to Knowing where your Business Stands at all times**

# Lenders & Investors

***What is the Difference?***

***What are they looking for?***

# What You Need to Know Before You Write Your Plan

- **Where Are You Headed? -- GOALS**
- **When Do You Want to Get There? – Time line**
- **What it will take**

# The Planning Process

## What are the parts of a Business Plan?

- **Cover Sheet**
- **Table of Contents**
- **Executive Summary**
- **Part 1: Organizational Plan**
- **Part 2: Marketing Plan**
- **Part 3: Financial Documents**
- **Part 4: Supporting Documents**

# Part I: Organizational Plan

- **Summary Description of the Business**
- **Products and/or Services**
- **Intellectual Property**
- **Location**
- **Legal Structure**
- **Management and Personnel**
- **Insurance Considerations**

# Part II: Marketing Plan

## What is the Process?

- **Overview & Goals of Your Marketing Strategy**
- **Market Analysis: Target, Competition, Trends**
- **Marketing Strategy: (Advertising and Promotion)**
- **Customer Service and Sales**
- **Implementation of Strategy: In-house/Outsourced**
- **Assessment | ROI | Effectiveness**



# The “KEY WORD” Approach

- **Who**
- **When**
- **Where**
- **What**
- **Why**
- **How**
- **How much**
- **Unique**
- **Benefit to Customer**



- Marketing, sales, advertising, public relations and promotions work together to enhance your image and impact.
- So think about the *big picture* first –
- Before you start paying for ad space or running events.....

## Your Marketing Goals

- **WHO** do you want to appeal to?
  - **WHAT** are you trying to sell?
  - **WHERE** is your market?
  - **WHEN** are your potential customers likely to buy?
  - **HOW** can you reach them?
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## Basic Marketing Questions

- **WHO.....Market and Competition**
- **WHAT.....Quantity & Price**
- **WHERE.....Location**
- **WHEN.....Days, seasons**
- **HOW.....Cash, credit, accounts**

Marketing Questions....

# Marketing Must

## 2. Know Your Niche

- **Define your customers.**
- **Describe demographics /psychographics.**

# Marketing Must

## 3. Create Your Pitch.

- **Describe your product as benefits.**
- **Make it come alive.**
- **Appeal to individual needs?wants?.**

# Marketing Must

## 4. Price for Profit

- **Know what your competition is charging *all the time.***
- **Include all your expenses to cover your *true costs* (not only cost of goods).**
- **Don't forget that your price must cover your cost + your profit.**

- **Customer Alliances**
  - Concentrate on customers and quality
- **Corporate Alliances**
  - Build links to large corporations
- **Flexibility**
  - Respond quickly to changing market needs
- **Geek Speak**
  - Use Internet resources

Strategies for Success



# Part III: Financial Documents

## The “*Quantitative*” Part of Your Plan

- Sources & Use of Funds
- Tax Documents
- Pro forma Financial Statements
- Historical Financial Statements
- Financial Statement Analysis

# Sources & Uses of Funds

*How Much money do you need?*

*How will you spend it?*

- **Summary of Financial Needs**
- **Use of Loan Fund Dispersal Statement**

# Part IV: Supporting Documents

**Records that support statements & decisions made in the organizational, marketing, & financial plans.**

- **Personal Resumes**
- **Owners' Financial Statements**
- **Credit Reports**
- **Reference Letters**
- **Location Analysis**
- **Legal Documents (Leases, Contracts, Agreements, etc.)**
- **Sources of Demographics and Psychographics**

So, that's it 😊