



PREPARING YOUR BUSINESS PLAN

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8 KEY POINTS TO YOUR BUSINESS PLAN

- EXECUTIVE SUMMARY
 - COMPANY DESCRIPTION
 - PRODUCTS AND SERVICES
 - MARKETING PLAN
 - OPERATIONAL PLAN
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- MANAGEMENT AND ORGANIZATION
 - START-UP EXPENSES AND CAPITALIZATION
 - FINANCIAL PLAN

EXECUTIVE SUMMARY

Summarize in detail what type of business you are opening and what product or service you will sell. Include the following in your summary.

* Management team – give background and experience of each owner in detail and what role they will have in the business

* Market analysis – research performed on industry and who your competitors are and what sets you apart from them

* Staffing projections – how many, what positions

* Financial requirements – how much money needed to start business and description of the costs. Include working capital for first 8 to 12 months, including payroll.

COMPANY DESCRIPTION

Company mission statement – A short statement of why an organization exists. What its overall goal, what kind of product/service it provides and its primary customer or market. The 3 components are * Purpose * values * goals

Company goals – what you expect your first 12 months of sales/revenue will be and what you anticipate your profitability will be, if any in first 18 to 24 months.

Target market – who is your demographic (age, gender etc) and how you plan to reach them

Industry – explain your business industry in detail

Legal structure – will you be S Corp, LLC, Sole Prop

PRODUCTS AND SERVICES

Full description of what product or service you are selling

Price of product or services – how did you determine the price

How is your product/service different, better than competitors

Where/who will you purchase inventory from and how did you make that decision to use that company



MARKETING PLAN

Market research – detail description on your market research

Barriers to Entry – during research what were some barriers to starting your business. Cost, popularity of product or service

Threats and opportunities – competition, is your product or service unique or common, is there a demand?

Product/services – features and benefits of your product or service? What makes your business different/better than competitors?

Target customer

Key competitors – who are they?

MARKETING PLAN –CONT.

Advertising – what is your budget for advertising

Where/how will you advertise

Social media outlets – how will you reach your customer

Marketing – how will you develop your brand? What is your brand?

Pricing – what is your price point? How does that compare to your competitors

Location – what is the location of your business and why that location



OPERATIONAL PLAN

Production – will you have a production cost? Include production pricing from a couple distributors

Quality control – will you have quality control, who is responsible?

Personnel – how many employees to open your business and anticipated increase of staff over first 18 months

Inventory – initial cost of inventory and ongoing cost of inventory

Suppliers – who will you use as your main supplier/vendor for product

MANAGEMENT AND ORGANIZATION

Detailed biographies of owners, including work experience

Advisors for business – include attorney, CPA and consultants

STARTUP EXPENSES & CAPITALIZATION



FINANCIAL PLAN

12 MONTH PROFIT AND LOSS PROJECTION

Use of capital in first 12 month – reinvest in business?

Do not state you want to expand in the first 12 to 24 months – businesses fail due to wanting to expand too fast , typically in the first 3 to 5 years, it can deplete your working capital. Make sure the original business can financially support both businesses for the first 12 months.