

# Putting It All Together

## Chapter 30

## Unit 8

### Performance Objectives:

You will evaluate a sample business plan for content, structure, and format. You will create a business plan, which follows the same format.

### Evaluation Criteria:

Successful completion of this chapter requires you to:

- ❖ Read information about the reasons for writing a business plan.
- ❖ Read a business plan outline.
- ❖ Compile your files into one document.

## Background Information

Since you started the **BEST**<sup>®</sup> class you've been writing pieces of a business plan. Many entrepreneurs think that the only reason for writing a business plan is to raise money. In fact that's the least important reason for writing a business plan.

You learned what the direction of your business is through writing a Mission Statement. You determined the feasibility of your business idea by researching the national and local markets. You analyzed your competition. This analysis gives you an edge in a competitive business world. You were able to use your market research to design marketing materials that will appeal to your target market.

You were able to work out exactly how much income you will need to make a profit by looking at your business financials. The analysis also showed you the sales volume needed to ensure the success of your business.

In this chapter you will put everything you've learned so far into one document, your Business Plan. In summary, the reasons for writing a formal business plan are:

- To analyze the concept of your business
- To plan the current and future operation of your business
- To create benchmarks to operate your business properly and help make business decisions
- To analyze the competition
- To create a marketing strategy
- To raise money

## Task 1: Compile Your Business Plan

Business plans are written in a specific format following a commonly accepted structure. Below is an example of this structure. Write your business plan following this outline.

- Cover sheet**
  - Name of Business
  - Names of Owners
  - Business Address
  
- Table of Contents**
- 1. Executive Summary**
  - Statement of Purpose *(a description of why you are writing this plan)*
  - Overview of Entire Plan *(a basic summary)*
  
- 2. The Business**
  - Mission Statement *(a brief statement about the nature, direction and goals of the company)*
  - Description of Products or Services
  - Legal Form *(sole proprietorship, partnership, corporation etc.)*
  - Features and Benefits *(what people will gain from owning your product or service)*
  - Location of Business *(very brief description of location)*
  
- 3. Market Analysis**
  - Market Segmentation *(description of your broader market)*
  - Target Market *(description of their most likely customers)*
  - Competitive Analysis *(chart and description of competitors and how you will beat them)*
  
- 4. Marketing Strategy**
  - Positioning Strategy *(describe how you want to be perceived by the public)*
  - Pricing Strategy *(which type of pricing you will use and why)*
  - Place *(explain your location and reasons for choosing your location)*
  - Packaging *(describe how your products are presented to the public)*
  - Logo *(show sample and explain why you designed it as is)*
  - Promotion *(explain how you will promote your business)*
  
- 5. Management Summary** *(describes the skills of people involved in the business and what roles they will play)*
  
- 6. Financial Reports**
  - Capital Equipment List
  - Balance Sheet
  - Income Statement
  - Breakeven Analysis
  - Pro Forma* Cash Flow
  - Personal Budget

**Notes:**