

Tri-County SCORE Preparation Packet

Pre-Business Plan

A written business plan is just a thoughtful analysis of a market and the business resources needed to serve that market. The plan helps you develop reasonable, realistic, strategies and acceptable levels of risk. The plan identifies the facilities, equipment, personnel, suppliers and money required to operate the business. Your business plan should answer these questions:

Benefits of Planning:

- Clarifies the opportunities.
- Identifies the risks.
- Quantifies the rewards.
- Develops the strategies.
- Defines the resources.
- Establishes goals.
- Guides your decisions and attracts investors.

Describe Your Business:

What is the legal form of your business?

Who is the owner and how long has it operated?

Where do you do business?

How big is your company? (revenue & customers)

What are the growth opportunities?

Why does this industry promise to be successful?

What is unique or different about your company?

Describe Your Product or Service:

What are the products or services?

What are the customer benefits of each?

How are the products or services packaged?

What patents or permits are required?

Who manufactures or supplies your products?

How are the products and services delivered?

Does it come with any warranty or maintenance?

Describe Your Operations:

How are business functions organized?

Who are the managers, and what are their qualifications? How many employees are required?

How much will they be paid and how often?

What equipment and facilities will be necessary?

What influenced your choice of location?

How will you keep records and inventories?

Are there any specific measures you can use to identify quality, effectiveness and efficiency?

Describe Your Customers:

Who are your customers?

How many are in your area or niche?

What are their buying patterns and cycles?

Why do they buy your product or service?

How many times do they buy and when?

What price do they want to pay?

Who makes the final decision to purchase?

Can you describe the typical customer?

Describe Your Competitors:

Who are your competitors?

How many are in your area or niche?

Where are they located?

Compare advantages / disadvantages?

How are you different?

Are customers more likely to use your product?

Will any trends or new inventions impact your product or service?

Describe Your Marketing Plan:

How and where will you promote or advertise?

How often will you use advertising?

What are your strategies for obtaining PR?

What are your sales strategies and tactics?

How long does it take to make a sale?

How will you attract new customers?

How will you hold existing customers?

What are your pricing / packaging strategies?

How much will you spend on marketing and sales?

Describe Your Financial Requirements:

How much money will you need? When? How often? For what? Why?

What sources of funding have you identified? Can you qualify? What is its cost? Can you pay it back? When?

What are the tax consequences of your decisions? For the business? For your personal situation?

Is there a profit? When? If not, what can you change to make it work?

How much per hour do you propose to earn from your business?

A Dozen Critical Factors To Include:

1. Describe the specific competence that gives your superiority over your competitors.
2. Identify the specific market niches where you will have the most success.
3. Identify all assumptions used in your plan.
4. Be realistic or even pessimistic in your forecasts.
5. Identify how and when ALL investors and loans will be repaid.
6. Identify any milestones and the effects of meeting or missing those milestones in financial terms.
7. Present a well-balanced management team and reconcile any missing skills.
8. Consider the impact of competitors' reactions to your strategies.
9. Identify contingencies and allow for changes in your estimates and strategies.
10. Don't try to do it all yourself. Rely on professionals within and outside your business.
11. Think like an investor. Balance the risks against payoff and think about payoff in all your choices.
12. Make sure your pricing covers all costs, losses, theft, benefits, unforeseen events and inflation. **PROFIT IS THE TARGET.**

**SCORE Counselors will be glad to review your plan at any stage and offer advice.
Call the SCORE office at 609-484-9503 to arrange for your appointment.**