



What Is A Business Plan?

- Simply, it is your written down collection of ideas about your Business

Why Do I Need To Write A Business Plan?

- **It forces you to evaluate your ideas/business in an organized manner**
 - Writing everything down vs locked in your head can be eye opening
- **Business plans are good to have if you need to Raise Money (Loan, etc.)**
 - 1% of us may be a gifted talker who can sell anything with nothing written down &/or is financially able to self-fund, the other 99% better use notes so others – including employees- can follow along (a business plan is your notes about your business)
- **Written business plans are 4x more successful than just “winging it”**
 - Much of that is due to the entrepreneurs who wrote it down and discovered a potentially fatal flaw that either caused them to fix the flaw or resulted in them not going thru with the launch.
 - Establishes the Foundation & Guidelines for the operation of your company.
 - Business Plans should be updated periodically – they are not meant to collect dust.

What Does A Business Plan Look Like?

- See sample Business Plan template on the following pages

Next Steps: What Resources Are Available?

- **Business Plan template:** Example included in this Guide
- **Kansas SBDC State Virtual Center:**
 - FREE Industry Market Research & helpful Guide thru available resources and tools.
 - Once your Business Plan is ready for Review, we will set up a meeting with your Local SBDC office for local expertise/suggestions. The Advisor reviewing your Business Plan will also help you Finalize your 3yr Financial Projections
 - How long does it all take? We move along with your pace, we have had some of these take as little as 1 week, while normally the process averages about 2-4wks (we have also had some clients take a year as the process on their side took longer – we understand life gets in the way sometimes and we are fine with whatever pace you need to move, we are here for you when you need us).
- **Contact Info & Additional On-line Tools & Resources**
 - Kansas SBDC State Virtual Center Hours: M-F 9am-8pm; Sat 10am-2pm; Sun 5pm-8pm
 - Phone: (800)949-7661
 - Website: www.KansasSBDC.net
 - Email: Info@KSBDC.net



BUSINESS PLAN

for

Name of Business

Last Updated: [Insert Month Day, Year]

Contact Info:

Insert Name

Insert Address

Insert Phone

Insert Email

Insert Website if have

Elevator pitch/Executive summary

TIPS for this section *(Remove Italics tips/directions when completed):*

- *20-30 seconds long, 1 paragraph*
- *What will your idea/business do?*
- *How does your idea/business benefit intended users/buyers better than competitor offerings? (Capture imagination with reason to believe that your business fills a need of customers)*
- *Quick Overview Info*
 - *How long have you been in Business (or when is your projected Opening Date?) and what has been your most recent Sales trend the last 3 yrs (up or down or flat)*
 - *If Needing Financing, state the \$ amount you need to raise & source (Bank Loan, etc)*
- *Squeeze in the single most truly unique advantage your idea/business may have*
 - *Awards won by business or by you – including patents, previous successes, All-Star on your team or advisory board, big distributor or customer on board, etc*

INDUSTRY SNAPSHOT

(Kansas SBDC can help you with this section or google “Total US Revenues for xyz Industry”)

- **Total Industry Revenue in [insert year]:** \$xxx.x billion
- **Projected Revenue trend over next 5 yrs:** *[insert the x.x% growth or decline expected via IBISWorld or Ind Assoc and any additional commentary as to why that is expected (ex:“Industry revenue is expected to grow an annualized 3.5% to 2023, partly due to an expected 2.8% annualized increase in disposable income.”)]*
- **Key Factors for Industry Success:** *[list 1-3 Key Industry factors that IBISWorld, or other Industry Source, calls out as important for business operators in this Industry. Ex: Drive Thru comprises 30% of total sales; Teas & Smoothies on the menu can increase CoffeeShop Revenue by 15%; Controlling Food Waste can double profits, On-time Delivery is crucial, etc. etc]*
- **Industry Customer Profile** *[Callout applicable **Demographics** (Age Breakdown of Customer, Ethnicity, Gender, etc), **Pyschographics** (Trendy, Conservative, Impulse shopper, etc), or **Type of Business sold to** (# of employees, type of Industry the Business Customer is in, etc). Examples:*
 - “Industry Customers are Trendy Impulse shoppers with the following age breakdown:
 - Ages: 13-19: 35%; 20-29: 30%; 30-39: 20%; 40-64: 10%; 65+: 5%
 - Or “Primary Customers in the Industry are Businesses with 5-20 employees in the warehousing/storage industry with Annual sales of \$50-\$100m”
- **If a Manufacturer:** Industry NAICS Code: _____ *(google “Industry NAICS codes” to find)*

REGULATORY (Special Regulations, Permits, Licenses required & status of progress):

- *list regulations, permits, licenses required for your business - if none, put “none req’d”*

INTELLECTUAL PROPERTY SNAPSHOT (Patents, Trademarks, Copyrights - as applicable)

- Patents, Trademarks, Copyrights owned by firm:
 - *(list any that you own or that you are planning to apply for, etc)*
- IP Issues from potential Patent, Trademark, Copyright infringement for our approach vs competition & what we believe will happen if sued:
 - *(list any or list that you checked at USPTO website and didn’t find any issues, etc)*

LEGAL BUSINESS STRUCTURE that you are/will use – such as:

- Sole Proprietorship (doing business as – also written as “dba”)
- Partnership (if partnership, list Names of partners & % of ownership for each)
- Corporation (Inc.)
- Limited Liability Company (LLC) (list names of owners & % of ownership of LLC)

COMPETITIVE ENVIRONMENT

- **Main Competitors:**
 - *List the 2-3 main sellers of products/services similar to yours in your targeted location & list the Strength & Weakness of each main competitor vs your idea/product/service:*
- **Pricing: Generally our prices vs Main Competitors will be:** xxxxxxxxxx
 - *Enter either “More Expensive by x%” or “Same +/- 10%” or “Less Expensive by x%”; or you may choose to list your main Products Prices vs Avg Main Competitors Prices – mainly want to see where you are price wise)*
- **Primary Competitive Advantage**
 - *Why would customers typically choose your product/service over competitors? (examples: Product benefit of xyz that solves their problem better than what is currently available; Price; Speed of delivery; Emergency/After Hours Service; Customization; Ability to demo before purchase; Trade-in Program; Celebrity Endorsement; Only provider for xx miles; Social currency/Cause marketing?)*

TARGET CUSTOMER PROFILE

- **Who They Are:**
 - *Purchaser Category:*
 - *Are you selling to individuals, businesses, the government (& is it primarily direct to them or via a wholesale distributor or?)?*
 - *Demographics such as:*
 - *Age Group; Family Status; Race/Ethnicity; Gender; Income; Education, etc*
 - *Psychographics (they aspire to be and/or remain):*
 - *Trendy; Conservative; Early Adopters of Technology; Careful with money; Interested in Charitable causes; Minimalists; Sophisticated; etc – understanding this will help your business create better marketing messages to attract these customers.*
- **Where Your Customers Are Primarily located (Geographically):**
 - *Include what you believe is the realistic area that you will draw from for customers & will direct efforts: your specific town, Kansas, USA, N.America, Global, Certain Mile Radius, etc*
- **Promotion: How/Where we you sell to customers:**
 - **Physical Store:** *Retail store via your own store and/or via xyz 3rd party store and/or Pop-up Locations at Festivals/Events/etc?*
 - **On-Line:** *your own company website and/or 3rd party websites (Amazon, Social Media, etc)*
 - **Sales Reps:** *Your own Sales Reps calling on customers and/or 3rd party sales reps?*
- **Market Size in Targeted Area:** *(sanity check for your Revenue Projections)*
 - *Use Industry Size to get to a dollar amount of sales per year, then adjust to reflect the geographic target highlighted previously and then determine your fair share based upon # of legit competitors in that same geography.*
 - *example: US size of Industry is \$1 Billion, but your products represent only 20% of the \$1B total industry, so your relative US Industry size is \$200m. Taking it one step further, if you are only selling in Kansas and KS only represents 1% of the US Market for your product, then you have a relative Market Size of \$2m. Then your fair share of that is dependent upon how many competitors there are – if there is only 1 other competitor competing for Kansas customers, then your “fair share” over time, all things equal, is \$1m (\$2m divided by 2 competitors), if 9 others, then it is \$100k, etc.*

Customers will primarily buy from us because:

- *Price; Availability/Speed of Delivery; Product Quality; Favorable Financing Terms; etc? – list each applicable item that you feel is a main reason why customers buy from you vs competition*
- **Assumptions based upon:** *?(previous experience, surveys, industry research, etc)*

Our Main Marketing Message, Tagline, etc to Customers will be:

- *This is what you will have on Advertising, Brochures, Website, in-store, signage, etc to grab your customers attention and convince them that they should buy from you today*
 - *Example for Manufacturer competing against Cheap Imports: “**Made in USA Quality that will last**”*
 - *Example for new company with zero reputation with targeted customers: “**Money Back Guarantee**”*
 - *Example for Restaurant with Award Winning Chef or Best New Restaurant: “**Award Winning Chef, come taste the difference**”, “**Voted Best New Restaurant, come see why**”*
 - *Local Competitor competing against primarily Online out of town sellers: “**Local, Fast & Convenient – come get it today!**”*
 - *Primarily selling to Social Driven Millennial & younger customers: “**Portion of every sell is donated to xyz, shop with us and make a difference!**”*

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EXIT PLAN: Your Goal for When & How you plan to eventually Exit Your Business?

- *Work it until I can't physically work any longer; Looking for a 5yr flip type approach; Build it up and hand it over to my children in 15yrs; Build it until I can sell it for \$xxx; etc (answering this allows us to best recommend timing of additional items to consider)*

FINANCIALS/PROFITABILITY OUTLOOK

- **Total Upfront Expenses needed for Launch (or Expansion) + Working Capital: \$xxx,xxx**

EXPENSE BREAKDOWN for Project (Uses of Funds):

- *List Item1 here* \$xxx,xxx
- *List Item2 here* \$xxx,xxx
- *List Item 3 here etc* \$xxx,xxx
 - *These item costs are before customer #1 from this effort and will include items such as building remodels or purchase or lease and Initial Materials/ Inventory/ Ingredients to sell, Website development, Licenses, Employee training, Point of sales systems/ Cash register, Insurance, etc. Include items that you have already acquired for this effort to show owner contribution)*
 - *Detail out Major Categories of 10% or more (ex: Building Purchase: \$50k)*
- *List Owner prepaid items here w "(prepaid by owner)" next to it* \$xxx,xxx
 - *Details of the Owner prepaid items for this project with respective amounts (combine items into groupings to represent 10% or more of this number, no need to list individual items that are small \$ amounts, etc*
 - *List only \$\$'s that you have already invested in the project – these need to be believable receipt worthy expenses to get credit for "skin in the game"/loan down payment*

SOURCES OF FUNDS:

- **Owner Contribution to Project Expenses:** **\$xxx,xxx**
 - *This will include items prepaid above plus additional cash that you provide*
- **List Additional already Secured/Agreed Sources (List Names of Investors, Lenders, Grants secured here with \$\$ amounts per items)** **\$xxx,xxx**
- **Total Remaining to Raise: \$xxx,xxx and we plan to raise this amount via:**
 - *List Funding Sources you are pursuing but haven't locked down yet & if multiple sources, list the \$ amount per source. Bank Loan? Family/Friends? Crowdfunding? Etc.*
 - *Make sure TOTAL Remaining to Raise \$ amount matches the TOTAL EXPENSES NEEDED (USES of FUNDS) minus Owner Contribution minus Additional Secured/ Agreed Sources of Funds*
- **3 Year Revenue & Expense Projections (attached)** *[KSBDC will help you with these]*

LEADERSHIP TEAM

- **Management Team**
 - **Name, Title** (example: John Doe, Owner)
 - **Functional Lead:** *List what Functions each member will lead (Financial Officer, Marketing & Sales, Operations, Human Resources/Staffing, Engineering or Chief Artist or xyz function – may be more than 1 function per person)*
 - **Relevant Experience:** *List relevant experience in the roles that the person is now responsible such as “John led similar functions at XYZ corp for 10yrs”, and/or “John has a degree in this field and grew up working in the family business that operated within this industry”, etc. Also, list any planned future training that will help run the business etc.*
 - **Name, Title** (example: Jane Doe, Owner)
 - **Functional Lead:** *List what Functions each member will lead (Financial Officer, Marketing & Sales, Operations, Human Resources/Staffing, Engineering or Chief Artist or xyz function – may be more than 1 function per person)*
 - **Relevant Experience:** *List relevant experience in the roles that the person is now responsible such as “Jane led similar functions at XYZ corp for 10yrs”, and/or “Jane has a degree in this field and grew up working in the family business that operated within this industry”, etc. Also, list any planned future training that will help run the business etc.*
- **Advisory Board and other Key resources**
 - **Bob Jones, CPA**
 - Will perform all Financial reports and filings for the business (*point here is to try to augment your management team with an Advisory Board/Team that may give you credibility in an area that your management team is weak in, etc.*)
 - **List Family/Friends with relevant experience that you can talk to for advice**
 - **Kansas SBDC at Pittsburg State University** (*← insert your local SBDC office you worked with*)
 - Assisted in preparing initial Business Plan & Financial Projections for project
 - Will be utilized for periodic Plan Check-ups on a Quarterly/Semi-Annual basis

ATTACHMENTS:

- **3 Year Financial Projections (1 page 3yr Summary w/ Additional monthly breakdown)**
- **Industry Financial Benchmark Stats** (*via “Kansas SBDC Industry Research Summary”*)
- **MENU of Main Products/Services** (if applicable, attach preliminary food menu if restaurant, services w/ prices if auto repair shop or chiropractor, etc.)
- **Photo’s/Diagrams** of Facility and/or Products/Services