

Start-Up Planning: Prepare Your Business For Opening Day

By Brett Krkosska

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Every new business venture begins with a plan. Before opening your doors for business, whether virtual or physical, you must be prepared for the many details involved in running a business. Thinking through these details and putting them on paper helps you to be prepared.

OBJECTIVES OF YOUR BUSINESS PLAN

A business plan lays out the future of your business. It is a written document which tells what you do and how you plan to do it. While your plan is a unique document designed for your type of business, there are certain objectives contained within any good business plan:

1. Sets forth goals and how they will be achieved.
2. Defines obstacles and outlines strategies to overcome them.
3. States the legal and organizational structure of the business.
4. Quantifies financial needs and makes financial projections.

LENGTH OF YOUR BUSINESS PLAN

The length of your plan depends on the purpose you will use it for. If you need to acquire venture capital for your business, you may need to provide extensive detail for prospective investors. If your plan is simply a roadmap for you to follow, it can be quite short. Whether it is one paragraph or 100 pages depends entirely on your objectives.

YOUR BUSINESS PLAN IS UNIQUE

Business plans vary from industry to industry and from business to business. No two plans are alike. Your emphasis should be on providing an accurate and realistic presentation of your business. Your plan is about you and your business - this makes it a unique creation.

That said, you can still benefit by studying sample business plans - like those at Bplans.com. Notice the various formats and styles used by the authors. Do you see categories you should

include in your plan? How did the author structure their writing to conclude a point? Take the lead from sample plans to capture the tone and refine your own plan.

QUESTIONS TO ASK YOURSELF

A good business plan tackles three major areas. Look at the questions within each of the three areas below and answer them as they apply to your business.

1. The Business

What is the legal structure of your business? Will it be a sole proprietorship, a partnership, or a corporation? What is the name of your business? Who are the people in your business? How is your business uniquely positioned to succeed? What are existing conditions within your industry? How do you intend to grow? What is your product? What does it do? How will you handle and deliver orders?

2. The Market

Who are your customers? Why are they customers? What motivates your customers? What need are you filling for these customers? How will you motivate them to buy from you? How will you find and attract these customers? Who is your competition? What advantage do you have over your competition? How will you position yourself to win market share? Do you have technical data, surveys, or information sources to back up your claims?

3. Finances

How much money are you bringing to your business? What are your start-up costs? How will the money be used? When will your business become profitable? What are your financial projections for the next five years?

ELEMENTS OF A BUSINESS PLAN

Here are the key elements to include in your business plan. Keep in mind that your business plan is unique to your business, so don't be afraid to beef things up as needed.

Executive Summary - This is a summation of the important points within your business plan. It should not be over three pages long. This summary is of particular interest to potential investors in your business, and allows them decide if you are a worthy investment vehicle.

Company Summary - Describes your business, customer focus, and your goals. Includes things such as your business structure, start-up projections, and business location.

Products and Services - Describes what you have to offer, its advantage to the customer, your reasoning for the need of your product or service, and a look into your place among the competition.

Market Analysis - Details the who, what, where, why, and how of your market. Includes analysis of your industry and your strengths therein.

Marketing and Sales Strategies - Key to this section is your plan to operate in a competitive environment. Sales forecasts and marketing details give an in-depth look at actual customer

acquisition.

Operations and Management - Fully details the structure and operation of your organization.

Financial Plan - Provides a comprehensive look at business cash flow, profit and loss, break-even analysis, and other financial indicators.

In conclusion, your business is less likely to fail if you are able to predict outcomes. Your business plan sets realistic goals for success. The above information serves as a general map. You fill in the details - as many as are needed. Most assuredly, your efforts will be rewarded for years to come.

Brett Krkosska provides 'how-to' advice on family and home-based work issues. Get start-up guidance, business ideas and inspiration at: <http://homebiztools.com> Free ezine subscriptions available at: <mailto:enews@homebiztools.com>

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