

Business Planning - *A critical tool for new and established businesses*

About SCORE

As a resource partner of the SBA, we help small businesses by:



Providing free
business advice and
mentoring



Offering low or
no-cost business
training



Sharing free business
templates and
resources

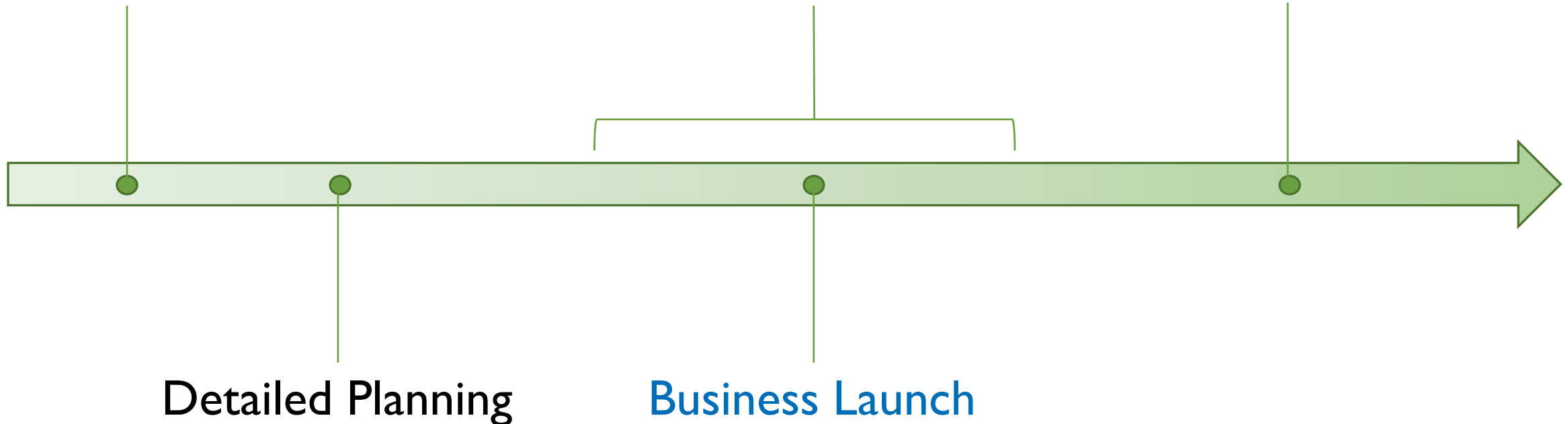
A 4 Phase Planning Process

*65% of Businesses fail in the first 4 years,
planning will help you succeed!*

Quick Planning

Formal Planning

Periodic Plan Review



Quick Planning: The Lean Canvas

- Describes your product or service idea and start thinking of it as a business.
- Places the focus on your Value Proposition
- Allows you to test your idea early on and modify it.
- Provides a solid starting point for more detailed planning.

Lean Canvas

Problem Top 3 problems	Solution Top 3 features	Value Proposition Single, clear, compelling message that states why you are different and worth paying attention to	Unfair Advantage Can't be easily copied or bought	Customer Segments Target customers
	Key Metrics Key activities you measure		Channels Path to customers	
Cost Structure Customer acquisition costs Distribution costs Hosting People, etc.		Revenue Streams Revenue model Lifetime value Revenue Gross Margin		

By Ash Maurya

Writing Your Value Proposition

Why Write a Value Proposition

- Defines how your product/service is unique in your market.
 - “Me too’s” or direct copies have a lot of risk.
 - Being “everything to everyone” is a common small business mistake
- Forces you to briefly describe your business to others.
- Makes you choose what your business does and does not do.

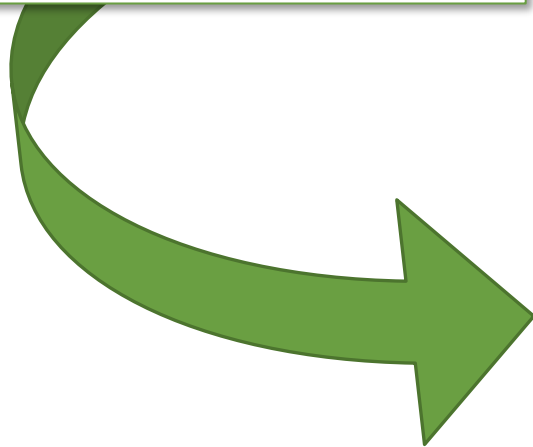
How to Create a Value Proposition

- Briefly describe the product/service
- Describe who you will sell it to
- Try to write your Value Proposition in 15 words or less - Simple, clear compelling message that states why your product/service is unique and worth buying.

Value Proposition Examples

Value Proposition:

- Simple, clear compelling message that states why you are unique and worth buying.



Your Local Landscaper	Online World of Chili
My product/service is: Landscaping services for local homeowners, specializing in maintenance contracts.	My product/service is: Online World of Chili – Your source for chili and hot sauces from around the world.
I will sell it to: Homeowners in the Northern Virginia area who don't have the time and energy to maintain their own lawn and garden.	I will sell it to: People who love chili, hot sauces and Tex-Mex foods in all its forms.
It provides them the value of: Dependable lawn and garden maintenance services at affordable prices.	It provides them the value of: The fastest and easiest way to get most chili and hot sauce information, products and recipes from around the world.

Detailed Planning: The Next Steps

- Transform key concepts from your Lean Canvas Plan into detailed plans

Detailed Planning	Planning Task
Marketing Plan	<ul style="list-style-type: none">• Define your target market• Create your product or service descriptions• Decide on your pricing strategy• Create a promotion plan for your business• Create a competitive analysis
Operational Plan	<ul style="list-style-type: none">• Define your organization structure – first hires!• Define key operational processes
Financial Plan	<ul style="list-style-type: none">• Create a year one projected income statement• Create a year one cash flow statement

Formal Business Planning

Critical for some businesses

- External financing
- Building lease
- Required by some licensing agencies

Table of Contents

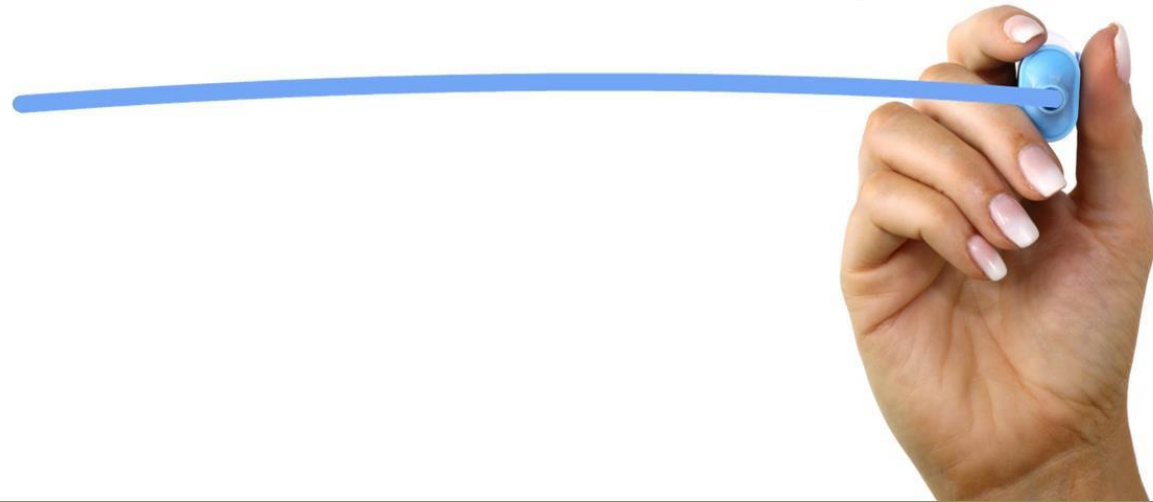
Confidentiality Agreement	3
I. Instructions: Executive Summary	5
<i>Executive Summary</i>	6
II. Instructions: Company Description	7
<i>Company Description Worksheet</i>	8
III. Instructions: Products & Services	9
<i>Product & Service Description Worksheet</i>	10
IV. Instructions: Marketing Plan	11
<i>SWOT Analysis Worksheet</i>	12
<i>Competitor Data Collection Plan</i>	14
<i>Competitive Analysis Worksheet</i>	15
<i>Marketing Expenses Strategy Chart</i>	17
<i>Pricing Strategy Worksheet</i>	19
<i>Distribution Channel Assessment Worksheet</i>	21
V. Instructions: Operational Plan	23
VI. Instructions: Management & Organization	25
<i>Management Worksheet</i>	26
<i>Organization Chart</i>	27
VII. Instructions: Startup Expenses & Capitalization	28
VIII. Instructions: Financial Plan	29
IX. Instructions: Appendices	31
X. Instructions: Refining the Plan	32
Now That You're (Almost) Finished	34

Periodic Plan Review

Critical to your business remaining viable and growing!

Plan	Cadence
Strategic Plan	<ul style="list-style-type: none">• Annually – reassess your mission, vision, and products/services
Sales Plan	<ul style="list-style-type: none">• Monthly – review actuals vs. plan• Quarterly – consider updating plan• Annually – create a new plan yearly
Marketing Plan	<ul style="list-style-type: none">• Quarterly – Review results/update your promotion plan as needed• Annually<ul style="list-style-type: none">• Update your competitive analysis• Review pricing• Update your promotion plan
Financial Plan	<ul style="list-style-type: none">• Monthly<ul style="list-style-type: none">• Review actuals vs. income statement• Review Cash Flow to ensure liquidity• Quarterly – consider updating income plan• Annually – create new yearly projected income and cash flow statements
Organization Plan	<ul style="list-style-type: none">• Annually<ul style="list-style-type: none">• Reconsider your organization structure• Continue to refine your operational processes

QUESTIONS





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