

Title:

How To Write A Startup Business Plan

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Summary:

Why Do I Need A Business Plan?

Why do you need to write a business plan? There are a number of reasons. Writing a plan dramat

Here are just a few reasons why you would want to write a business plan.

1. Evaluating initial startup costs.
2. Determining what it will take to make a profit.
3. Analyzing your competition and it's success and failures (which you can capitalize on)
4. Well defined rolls of all pe...

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Article Body:

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2. Determining what it will take to make a profit.
3. Analyzing your competition and it's success and failures (which you can capitalize on)
4. Well defined rolls of all people involved in the company.
5. Investigating your market and developing a strategy.
6. Anticipating problems before they occur.
7. Defining a clear goal and exit strategy for your business.
8. Convincing investors to fund your business

Some may scoff at all of the parts of a business plan, but remember that you are undertaking t

To give yourself the best chance of success, do your homework ahead of time and you'll be way

Plan Your Work, Work Your Plan

A business plan is not a document set in stone and you will probably change it in the future a

Planning your work is when you write your plan, but you can't just stop there. You must work t

Step 1: Defining Your Product Or Service

The first step to writing your business plan is defining exactly what your product or service

How would you explain your product or service to a potential client?

What would you tell them about it?

How would your product or service relate to other businesses?

Describing your product or service should fit within 1 paragraph with supporting paragraphs un

Every product or service can be defined. If your product or service is so innovative that it c

Here are a few examples.

- * Google was simply "a better search engine that works"
- * Apple was simply "a computer that can fit on a desk"
- * Microsoft was "an operating system that can be mass distributed"
- * Amazon.com was "a mail order bookstore with an online front end"

Describing your product is not a hard thing to do. Implementing a strategy to sell, distribute

Step 2: Who Are Your Customers?

Defining your target market may be a little difficult if you think your product can be used by

Whether your product or service can be used by everyone is not the key, it's who can afford an

Is it small businesses? Does it fit the consumer market that cooks a lot? Is it Internet users

Defining your exact target market is key to setting up a proper marketing strategy. Without kn

Another part of this is determining if your target market can afford your product and will the

If your product can only be used by boys age 14-18 and the price of your product is \$1000 your

This is all part of the plan, don't be discouraged if you find that upon doing research your p

Step 3: Market Strategy

Who is your competition? How will you reach your target customer or client? These are all ques

Find two or three competitors and evaluate them. Where are they successful? Where is their mai

Analyzing the competitive landscape is an important part of determining if you can succeed. Yo

How are you going to reach your customer? Will it be through catalogs? Advertising in the loca

Investigate the costs of implementing a strategy of reaching your customer and client base.

If you are selling a product how much will it cost to get your products on shelves or to set u

What are the costs involved to place advertisements?

Simply having a product or service and not having people even knowing that it exists is a cert

Step 4: Financing And Capital

What are your initial expenses for starting your business?

You need to analyze all costs for beginning your business and how much capital you will need t

If you are providing a product what is the cost of having it produced and an inventory for it?

Letterheads, logo's, business equipment, software and business cards all fit in this category.

There is no hard and fast rule for how much capital you will initially need in terms of months

How will you fulfill orders? If via mail you will need to factor in packaging and shipping exp

If you are stocking a store with your item you will need to factor in delivery charges and expenses. Once you have determined both your ongoing monthly expenses and initial expenses then you can determine if you can afford to stock the store. Will your financing come in the form of angel investors, venture capital, self-financed or friends and family?

Step 5: Operations

You need to define the operations of your business and how your product or service will reach your customers. Here's a few questions for a product based company.

How will the product be produced?

How will it be stored?

How will it be delivered?

How will customers place an order?

How will an order be processed?

How will a customer get a receipt?

Where will fulfillment take place?

How will money change hands?

When will the customer receive their product?

How will customer service be handled?

For a service based company most of the above questions have their equivalent.

These questions need to be answered. It shows that you have thought ahead on how your business will operate.

Step 6: Putting It All Together

Once you have analyzed your product, your customers, your competition, market strategy and financing options, you are ready to write your business plan.

There is no single format for writing a business plan. The best way to write a business plan is to use a template that fits your business.

Here is a basic overview of the things you should provide in a business plan.

1. Cover Sheet
2. Statement of Purpose
 - I. Part 1: Business Analysis
 - a. Description of the Business
 - b. Marketing Strategy
 - c. Competitive Landscape
 - d. Operating Flow
 - e. Management and Personnel
 - f. Exit Strategy
 - g. Insurance Information
 - II. Part 2: Financial Information
 - a. Equipment, Supply List and Assets
 - b. Balance Sheet
 - c. Break-even Analysis
 - d. Pro-forma Projections Including
 - i. 3 year summary

- ii. Detailed projection by month of the first year
 - iii. Detailed quarterly projects for year 2 and 3
 - iv. Assumptions or how you reached your projections
 - e. Pro-forma Cash Flow
- III. Part 3: Supporting Documentation
- a. Tax returns of the principals involved in the business for the last 3 years
 - b. Franchise contracts, proposed leases and purchase agreements
 - c. Any licenses or legal documents the business needs
 - d. Resumes of all the principals involved in the business
 - e. Letters of intent from suppliers and other services

Remember that not all of these things need to be included right off the bat. If you are not go

The most important part is getting started on your business plan so that you can spot the thin

Most investors are not going to just hand you money without a pretty solid business plan thoug

Once you have your business plan you are well on your way to creating a successful startup!

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