

Business Plan Guidelines

Every business venture can benefit from the preparation of a carefully written business plan. The purposes of a business plan are to:

1. Help you think through the venture and ensure that you have considered all your options and anticipated any potential difficulties.
2. Convince potential lenders and investors that your business can make money and pay their money back.
3. Serve as an operating guide as you turn your ideas into a viable business.

The business plan is a formal document written in the third person (no use of I, we, us). Even though the reader needs to be convinced of the viability of your products or services, it is not intended to be a sales pitch for those products/services.

Start with section 4 and write at least a paragraph to answer each question that applies to your business. Sections 1 through 3 should be written last to avoid rewrites. The final product should be tailored to fit your business circumstances and personality.

These guidelines are a supplement to the Fort Hays SBDC online tool: <https://bigcat.fhsu.edu/ksbdc/business-tools/index.php>

1. **Cover Page:** Name of business, Owner name(s), address, email, and phone number. Give your plan a business-like appearance by typing it on high quality paper and putting it in a vinyl or cardstock binder or a three-ring notebook.
2. **Table of Contents:** A single page showing major topics and page references.
3. **Executive Summary:** A single page that summarizes the key elements of the plan. These include:
 - business description and industry
 - business entity type (LLC, etc.)
 - owners (and % ownership)
 - objective
 - target markets
 - key target dates
 - funding needed & owner's injection
 - how funds will be used
 - small table showing 3 years projected sales and net profits
4. **Strategic Plan:**

Industry and the Business:

 - Type of business: primarily merchandise, manufacturing, or service

- Industry description, NAICS code, and overall trends
- Description of market you intend to serve
- Location of business and neighborhood description
- Competitive positioning of the business
- Legal entity (e.g. LLC, etc.)
- Key success drivers
- Customer persona

Goals, Contingency & Continuity, and Exit Planning:

- List major goals (short-, mid-, and long-term)
- Identify key threats and contingency plan
- Identify plan if owner or key manager is suddenly unable to work
- Identify timeframe to exit business & plan for succession

Products and Services

- Describe products and /or services, including bundling and packaging
- List value proposition of products/services
- Describe the specific need that products/services satisfy
- Describe demand seasonality, product life cycles, customer experience

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5. Marketing Plan:

Market Analysis

- Competitive landscape, key competitors
- Key industry metrics (gross margin, sales per employee, etc.)
- Demand drivers
- Evidence to support size of target market (demographics, etc.)
- Key competitors

SWOT Analysis

- Strengths: internal factors that support the business
- Weaknesses: internal factors that could limit success
- Opportunities: external factors that can be leveraged for success
- Threats: external factors that could impair success

Five Forces (Optional)

- Barriers to entry: obstacles to entering the industry
- Competition: intensity of competition, strengths of key competitors
- Substitutes: available alternatives to your products/services
- Buyer power: bargaining strength of customers
- Supplier power: bargaining strength of suppliers

Marketing Mix

- Product: features, packaging, differentiators
- Price: pricing strategies (e.g. good, better, best), discount policies, bundles
- Place: where products/services will be bought and delivered
- Promotion: tactics to drive demand (advertising, social media, content marketing, etc.)

6. Operational Plan:

Operations/Activities

- Day-to-day operations (how products/services will be produced/delivered)
- Inventory control
- Key suppliers
- Hours of operation
- Major equipment and software
- Quality control

Legal Environment

- Legal structure of business (LLC, etc.), % ownership if multiple owners
- Professional resources
- Risk management (e.g. insurance)
- Compliance and regulatory requirements
- Zoning, codes, etc.
- Intellectual property (trademarks, patents, proprietary methods, etc.)
- Major contracts

Money Management

- Customer payment/billing methods
- Terms of payment
- Cash handling procedures

Management, Labor, and Organization

- Owner skills and experience
- Managers and key personnel
- Number and titles of employees (part and full time) and brief job descriptions
- Training requirements

7. Financial Plan

Utilize Kansas SBDC Financial Projections Worksheet

8. Appendix

Include all supporting documents (leases, major contracts, letters of intent, equipment and construction quotes, etc.)