



DOVE BENNETT

HOW TO WRITE A BUSINESS PLAN

**From the author of "30 WAYS TO GROW YOUR
BUSINESS"**

An easy-to-follow guide on how to create a business plan from
start to finish.

HOW TO START YOUR BUSINESS SERIES (BOOK 1)

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HEY BUSINESS OWNER,

Congratulations on making the decision to become an entrepreneur. Writing a business plan may seem like an intimidating and difficult hurdle; but it really doesn't have to be. If you know and are passionate about your business, the process can be an exciting and satisfying challenge.

This 'How to' is designed to walk you step by step through the entire process. We don't want this to feel like a homework assignment, we want it to be fun, exciting and an action plan to fast track you to your dream business. Remember; the vast majority of successful business owners and entrepreneurs weren't business experts when they started. They were just like you - learning as they go. So ask questions, do your research and by the end of this document you'll have created your map to business success. Enjoy planning the growth of your business!!

I'm always here if you need me!

Signed,

Dove Bennett

WHAT MAKES A GOOD BUSINESS PLAN?



A good business plan tells a story. You get to know the product (the characters), you understand the location (the market) and there are twists and turns in the plot (trials and tribulations that you might encounter).

If you are going to go into business, it's important that you forecast parts of the story. It's imperative that you appreciate the aim of the business plan isn't to paint a pretty picture, or idealistic view - it's to give a realistic outline of the business, the challenges it might face and its plan to growth.

For example, 'I'm going to sell T-shirts and in year one I'll make a million dollars - the end' - would be a horrible business plan.

Within this document, I'll be outlining some of the areas you should include in your business plan. Be concise and to the point, no one is going to read a 100+ pages or even a 40-page business plan. You should aim to use your business plan as a tool to help you run and grow your business, something you continue to use and refine over time. An excessively long business plan is a huge hassle to write and to navigate through afterwards, and chances are, you'll reduce it, along with your idea, to the desk drawer before you've even got started. Good business plans are living documents. Documents that you use regularly and return to on a regular basis. They are updated as you learn more about your product, your market and the operations involved. The things that worked well, and the elements that didn't.

YOUR BUSINESS PLAN IS A WORK IN
PROGRESS. DON'T ATTEMPT TO MAKE IT PERFECT.

YOUR PLAN SHOULD OUTLINE:

- THE GOOD
- ... THE BAD
- HOW YOU WILL REACT TO CHALLENGES
- THE RISK YOU LIKELY FACE
- AND THE REWARD YOU WILL RECEIVE

Do not be naive in making the assumption that your
business has not risk.

Now that we have the outline laid out, let's dive into the details that
you will want to include in your plan. The rest of this document will
include specifics of what you should include in each section of your
business plan.

EXECUTIVE SUMMARY

In this section, you will summarize your business plan.

The first two sentences should describe what your business does in simple terms. The shorter this is, the better. If you can't simplify your business, then you can't sell it. Don't go into great depths in this section; instead, focus on highlighting the key points.

Things to include in the Executive Summary:

- ☐ Summary of the idea
- ☐ Background and objectives - what problem is it solving
- ☐ Product and mission
- ☐ Why I will be successful
- ☐ Short and long term goals

Keep it short and sweet! Maximum of 2 pages.

Helpful Tip: It is generally easier to write this section last.

COMPANY SUMMARY

In this chapter, you'll review the structure of your company and who the key team members are.

It is best to break this section into 4 key areas:

❖ The Business ownership and location

- >>What type of company are you? LLC? A partnership? A sole proprietor?
- >>Address - describe current location and any current facilities owned

❖ Company overview Step two

- >> Mission Statement
- >> Intellectual property (mainly applies to technology and scientific venture)

❖ Your team

>> Who are the officers/managers of the company? Give a brief bio of each key team member. Including their positions and relevant experience. Explain how certain skills and expertise will allow you to create and run the proposed business. What experience do you and the team have, knowledge of the market and how you can leverage this to run the business?

>> This is the section where you demonstrate that you and your team have the skills and knowledge to execute your business idea. If after writing your plan you are left questioning whether your business is going to require further skills and knowledge, consider bringing a business partner in to compliment the current skill set.

>> Additionally, don't feel that your management team must be complete from the beginning. It shows maturity and knowledge of your business that your business that you can recognize missing skills. Simply identify the gaps and indicate that you plan to recruit.

COMPANY SUMMARY

❖ OPERATIONS OVERVIEW

>> What departments will handle which tasks? Will you outsource any roles? E.g the production of your product, the employment of new staff, the marketing of your service?

>> List the companies you will be using.

Things to include in the Company Summary:

- ☐ Relevant work experience or training in the business area.
- ☐ Who do you know? Contacts and businesses that you know that will advance your business in that industry.
- ☐ Upload any key management's resume/CV including your own.
- ☐ Include training and experience from your business industry, but also any entrepreneurial experience you may have.

OPPORTUNITY

This chapter is all about your product or service (yay, the fun stuff!!!).

What your business does. What problem you're solving, who you plan to sell to and how your product or service fits into the existing competitive landscape.

❖ Product and/or service

Start this section by validating the problem of your consumer. What is their pain point? Is it cost, is it location, is it inconvenience?

Next, pitch your potential solution to their problem. Demonstrate what sets your solution apart from others i.e your unique selling point (USP).

Go into as much detail as possible here. What is it, how is it offered? How exactly does it solve the customers problem?

Consider describing a use case. An example of how a customer will interact and use the product or service. And how it will improve their life.

Describe the problem and
offer the solution!

Make sure you are defining the problem you are solving for your customers. This is by far and away the most critical element of your business plan and crucial for your business' success.

OPPORTUNITY

Things to include in your Products/Services section:

- ☐ The unique selling point (USP) of your product/service
- ☐ Production: how it's made, what it's made from, what it looks like etc.
- ☐ Uniqueness - details of any patents, trade marks or design rights you own. If intellectual property - whether in the form of clever branding or unique technology. Explain how this can be defended.

❖ Market analysis

Before launching a product, it is important to look at the market you plan to enter. Will there be a demand for your product? How much can you predict to sell?

Gathering market research is most accurate when it comes from a variety of sources. I'd encourage you to carry out both Primary and Secondary research.

Primary research = research carried out by you e.g. focus groups, surveys or simply interviewing potential customers and competitors. This allows you to get immediate feedback about your product or idea.

Secondary research = research relevant to your business but commissioned by others. Generally in the form of reports and statistics put together by government agencies, chambers of commerce, trade associations or statistic groups.

I would recommend carrying out secondary research before you do your own primary research.

OPPORTUNITY

When carrying out your market analysis, I'd recommend looking at the following areas:

>> Industry performance - the environment surrounding your business, the economic factors, the trends being seen in your market - is it growing, or shrinking, how big is your market?

>> Competitor Analysis - Who are your direct competitors? What are they offering? What are their locations? What are their prices? Who are your indirect competitors?

You could consider condensing some of this information into a SWOT Analysis chart.

- ❖ Strengths
- ❖ Weakness
- ❖ Opportunities
- ❖ Threats

Marketing Persona:

From the information gathered, create a marketing persona. This is a fictitious representation of your market.

It's an extremely useful tool to help you define the kinds of marketing and sales activities you will develop to attract these ideal customers.

OPPORTUNITY

Key customers:

If it's relevant the final section of your market analysis should discuss key customers.

A Key customer is a person or a company who gives a substantial amount of business to your organization. These key customers sometimes are given special discounts like cash discount, trade discounts, turn over discounts, quantity discounts and other privileges according to the organization's policies.

The typical company that is selling mostly to consumers can skip this and move on. However, if you are selling to other businesses, you may be able to identify a few key customers that are critical to the success of your business, or a handful of important customers that are trend leaders in your space - think influencers.

If so, use this final portion of your target market chapter to provide details about those customers and how they are important to your business's success.

Competition:

Starting a business without analyzing your competitors is never wise (I speak on this in more detail in my book, "30 Ways to Grow Your Book"). You need to ascertain who else is providing solutions to try and solve your customers' pain points?

Analyzing your competitors allows you to define yourself as different - distinguishing your USP's. What are your competitor's weaknesses? Can you take advantage of this and make it your business' strength?

Consider creating a "competitor matrix" to list out competitors and then show how they compare to your business's solution. Simply list your competitors down the left side of a grid and then add columns for each feature. Use checkmarks to indicate if competitors have a particular feature or not. This will help you determine if your competitor is better than you in certain areas.

You also need to show how big a market share each of your rival's hold and where you hope to muscle in. Use competitors as case studies, looking at what has worked and what hasn't, and even niches they've overlooked which you can target.

OPPORTUNITY

Things to include in your marketing analysis section:

- ☐ What market research have you done? What evidence do you have to show us that people want your product/service?
- ☐ Competitor strengths: where they will pose threats. For example, do they have a larger marketing budget or do they hold more sway with certain suppliers or distributors?
- ☐ Competitor weaknesses: where is there room for you to be different?
- ☐ The competitor matrix - what features they offer? How does this compare to your business?
- ☐ Who's your target audience? What are their interests? What're their spending patterns? How many people fall into your target market?
- ☐ What is likely to happen when you bring your product to market? Once you have conducted an analysis of all your competitors' strengths and weaknesses it will help you determine exactly how and where your product should be placed in the market and how your customers will react to your business.
- ☐ Price point: How are your competitors pricing their goods? How does this compare to yours?

*The simple fact is that all
businesses have competition*

OPPORTUNITY

Gathering more information on your competitors:

- Search the internet, blogs and social networks.
- Google Alerts - you can set these up to be updated each time a news article or blog mentions your competitor.
- Ask customers directly - what are your competitors doing well? What are they doing badly? . Are there any gaps they aren't filling?
- Looking at your competitors' promotional activities will allow you to differentiate your own . or nab their ideas and build on them.
- Request a brochure or media pack
- Look at their website and advertising - how they're promoting themselves.
- How much are they charging for their product or service?
- Do they have any special offers, bundles or freebies?
- What sort of customer service or support package do clients receive? Is there a premium . equivalent?
- Is there an up-sell?
- Who are their suppliers and distributors? Would they be willing to stock your product or supply to you?

One of the biggest mistakes that entrepreneurs make in their business plans is stating that they don't have any competition.

Future products and services

It's fantastic to have a long term vision for your company but make sure you don't lose sight of your current reality. Describe the long term development plan in this section but keep it brief.

What's the vision? How are you going to develop your product or grow the range of products you offer? This section should be no more than a paragraph or two.

EXECUTION

Now that you've described your opportunity, you're going to move on and describe how you're actually going to make your business work. You'll cover your marketing and sales plans, operations, how you'll measure success as well as the key milestones that you expect to achieve.

With over 7.7 billion people on this planet - its unreasonable to believe you are the first and only person to have your idea. A good idea doesn't guarantee you a successful business.

❖ Marketing Strategy

You may be the best coach, the best clothes designer, or the best web designer, but if no one knows about you, then the customers will continue to go to the same places they always did.

This section is all about how you are going to reach your customers and gain their attention.

Positioning: How are you positioning your product/service in the current market? Are you low end or luxury? How will your branding and marketing reflect this?

EXECUTION

Consider:

- >> Your USP.
- >> What are your customers primary needs?
- >> How are your competitors positioning themselves?
- >> How do you plan on differentiating your product from the competition? Why will your customers pick you?
- >> Where do you see your company in the landscape of other solutions?

You can use this simple formula to develop a positioning statement:

“For (target market description) who want/are (target market need), [this product] [how it meets the need). Unlike (key competition), it (most important distinguishing feature)”

Pricing Model:

Once you understand your market and how you want to position your product the pricing of your product needs to be decided upon. This is a important section because if your product or service is wrongly priced, it won't perform.

Outline:

- >> How much does it cost to make?
- >> How much are you selling it for?
- >> What are the margins?
- >> Where does the customer pay and how much is it?
- >> Is it an up-front subscription model?
- >> A one-off sale?
- >> Are you selling to businesses (B2B) or consumers (B2C)?
- >> Is there an up sell?

Consider:

- >> Cost: Don't just consider how much it costs you to make the product, you need to consider . . how much it costs to provide the product/service. Staff, advertising, facilities, software etc.
- >> What's your break even point?
- >> Market rate: Your price needs to be competitive. Does it meet the consumer demands?

EXECUTION

Promotions:

How are you going to tell your customers about your service or product? What is the cost vs the delivery of the promotion?

As part of your promotions plan consider:

Packaging/branding - include images of the product, its packages and its branding. Does your branding/packaging match your positioning strategy? How does your branding/packaging communicate your key values? How does it compare to the competition?

Advertising - What advertising will you spend money on? This needs to tie in with your marketing persona - consider your customers likes and dislikes. How will you measure the success of your advertising?

Public Relations - What media outlets will you approach to feature your product or service? Again consider your marketing persona - what is your target marketing reading? Where are they socializing?

Content Marketing - What topics can you teach your prospects about? Tips, useful information and advice. What are topics and resources you might offer? Where can you make this available?

Social Media - Which social media channels are you going to focus on? Where are your target market?

Strategic Alliances:

Who can you partner with? Which influencers, companies or associates?

The key to a great strategic alliance is a collaboration where both companies have a similar target market but are offering complimentary products. For example, a tooth whitening company collaborating with a dental floss company.

EXECUTION

Operations:

The operations section is about how your business will work on a day to day basis. This is where you need to get into the nitty gritty. The more detail the better.

Walk the reader through the logistics of your company.

How are you going to manage the process? Location, staff? At what point will you take more staff on?

Be sure to include:

Sourcing:

>> Are you manufacturing your products or buying them from other vendors? How are the products getting to you? How are you delivering the products to the customers?

>> If you are a service-based industry - still consider what you will need to supply your customer with - contracts, invoices etc.

Distribution:

>> For product-based companies - how are you going to deliver your product to your customers? If this is new to you, consider asking those already in the industry for what works best.

>> Decide upon a direct distribution or a retail distribution. Or perhaps a manufacturers representation or OEM (original equipment manufacturer).

>> Don't feel you need to pick just one, it's more than acceptable to have multiple distribution channels.

As you grow your business be sure to keep track of your major accomplishments!

Milestones

This is the section where you outline the next steps for your business. Outline your major goals and what changes, if any, you'll make when you hit those goals.

Traction

As you grow your business, be sure to keep track of your major accomplishments i.e. initial sales, a significant partnership etc. This is great to show to potential investors.

EXECUTION

Metrics

To help you judge the health of your business, you need to decide upon the key metrics you will be watching and tracking. For example; a restaurant might monitor the covers they have on an average night, a membership company might look at the number of new subscription and the average amount of months each member stays.

[Analyzing these numbers will also help you understand areas that need attention.](#)

Key assumptions and risks

When you are starting a new business it is inevitable that you will need to make some assumptions and be taking some risks. Outlining these in a business plan helps you acknowledge the areas of risk and minimize your assumptions as much as possible.

Key Assumptions: Assumptions in business are when you assume something of your customer or product i.e. you assume your customer will want their problem solving, or you assume your advertising per sale will cost X amount.

Risks: Every business and industry has a different risk profile, but there are certain risks that all businesses could be exposed to such as: financial, operational (theft, fire, breakdown etc.), compliance (legislation change) and strategic risk (competition changes).

Evaluating risks will help you to determine the significance to your business as well as enabling you to develop ways of preventing or minimizing the risk's impact.

Consider evaluating the level of risk by:

>>Scoring the risk on a 1-10 scale.

>>Consider how likely the risk is to effect your business.

Once the risks have been identified in your business, you can choose to minimize them, eliminate them altogether by introducing safety measures for example, or transfer them through insurance. Risk management is a long-term process, it will need continuous evaluation.

EXECUTION

Financial plan

Lastly, is the financial plan. For starters, do not allow yourself to get intimidated by this chapter. This section doesn't have to be complicated and I will help you break it down in stages. If however, at the end of this chapter you are still feeling confused, there are plenty of tools and resources out there to help you build a solid financial plan.

Typically, your financial plan will consist of 12 monthly projections and then annual projections for 3-5 years.

Sales Forecast:

A sales forecast is how much of your service/products you are going to sell.

It's best to create a row for each product/service breaking them down to forecast more accurately. For example; a coffee shop would perhaps have the following forecasted product sales: coffee, cake, sandwiches etc. It's important not to go into too much detail, just focus on the high level at this point.

Your sale forecasting will also include corresponding rows for cost of goods sold (COGS) and expenses related to making and delivering your product/service.

Personnel Plan:

A personnel plan details how much you are going to pay yourself and your staff. For a small company it's worth listing each employee but for large companies divide the costs into departments i.e. marketing, sales etc.

EXECUTION

Profit and Loss Statement:

This document brings all your numbers together and shows if you're making a profit or making a loss. The P&L incorporates the data from your sales forecast with your personnel plan and includes a list of any other expenses.

A typical P&L will be spreadsheet that includes:

- >> Sales (revenue)
- >> Costs of good sold (COGS)
- >> Gross Profit >> Operating Costs
- >> Total operating expenses
- >> Operating income (EBITDA = Subtract your total operating expenses and COGS from the sales)
- >> Interest, taxes, depreciation and amortisation >> Total Expenses (including ITDA)
- >> Net profit - the all important bottom line.

Balance Sheet: The balance sheet provides an overview of the financial health of your business. It lists the assets, the liabilities and your equity.

Use of funds: If you are planning on raising funds from an investor it is important that you outline how you plan on using the investor's cash.

Exit Strategy

An exit strategy is your plan for eventually selling the company to either another company or to the public. You don't need to go into a lot of detail here but outlining some companies that might be interested in buying you can be included in this section.

HOW TO WRITE A
BUSINESS PLAN

IF YOU EXPECT TO WIN,
THEN YOU MUSTY PLAN TO WIN!!

GREAT JOB ON TAKING THE FIRST
STEPS TO START YOUR BUSINESS!

If you are in need of more hands-on assistance,
if you would like to hire me to complete your research or
if you'd like to hire me to review, edit or complete your
entire business plan, feel free to reach out to me!

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