

# Business Planning Workshop

## Core Four Handouts

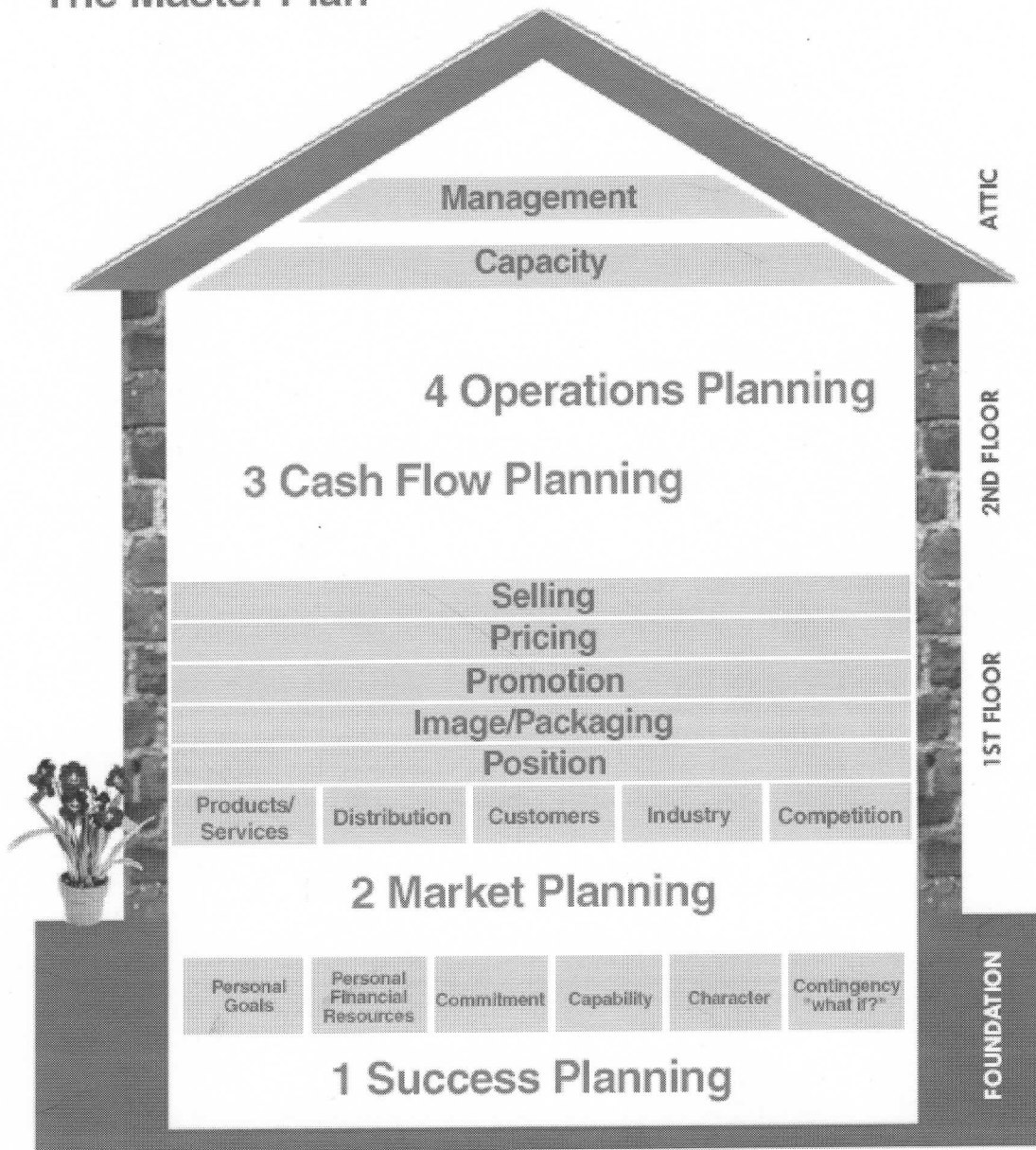
Northeast Entrepreneur Fund Inc.

Douglas Hammel  
Business Services Director  
EDC Team Jefferson  
360-584-4075  
[services@edcteamj4fferspn.org](mailto:services@edcteamj4fferspn.org)

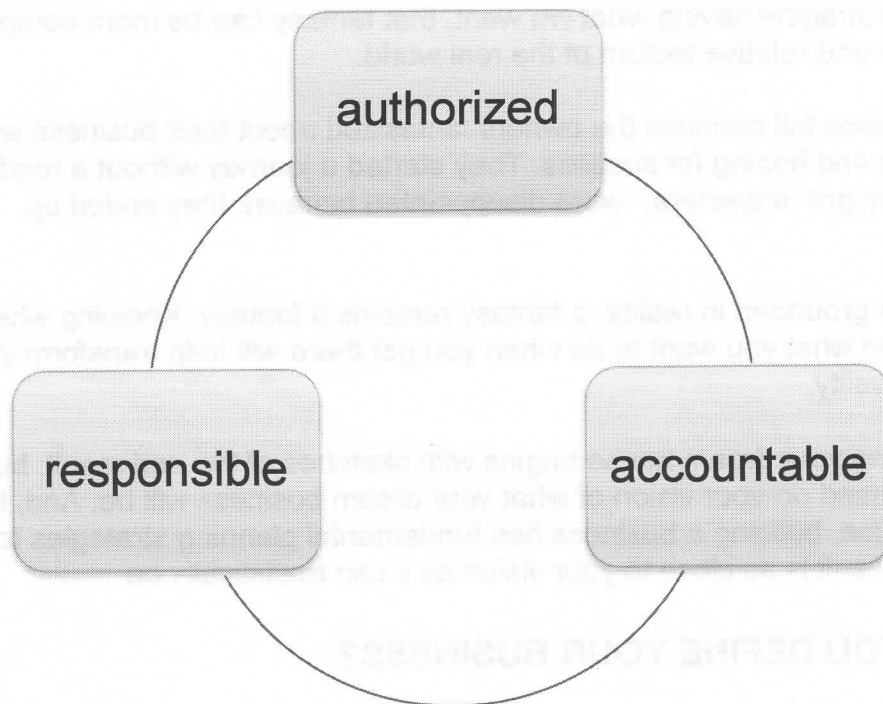
# Chapter 1: Success Planning



# The Master Plan



# I Am An Entrepreneur



I am  
**authorized**  
 to make all of the decisions in my business

I am  
**responsible**  
 for learning what I need to learn, and for  
 all outcomes of my decisions

I am  
**accountable**  
 for the success of my business

## What Are The Characteristics Of A Successful Business Owner?

The success of your business will rely to a great extent on your energy, endurance, and healthy decision-making. The set of characteristics will make a significant contribution to that success.

<b>CAPABILITY</b> able, skilled, competent	I've got experience and knowledge to understand the issues and get the job done. Where I need help, I get it. I've done things like this in the past.
<b>COMMITMENT</b> in charge, bound and loyal to the business	I usually finish what I start. I'm determined to make this business a success, and I'm willing to do what needs to be done.
<b>CHARACTER</b> moral strength; fortitude; reputation; appropriate nature for performing the work of the business	I have the patience and strength to operate in the market environment that I will encounter. I'm comfortable talking to customers, supervising employees, or negotiating with vendors. I'm willing to listen and learn.
<b>CAPACITY</b> the ability to perform the work of the business to the extent necessary.	I have the personal time and resources I need to carry out the roles I must play in the business.
<b>COLLATERAL</b> assets that can be designated as security for payment of a debt or performance of a contract.	I'm willing to pledge something of corresponding value to get the capital my business needs, and I am willing to risk losing what I pledge.
<b>CREDIT WORTHINESS</b> demonstrating integrity and the ability to make payments.	I keep my promises and pay my debts. My family, friends, and colleagues trust me. I deserve to be trusted by my customers, my lenders, my employees, my business partners, and my suppliers.
<b>CONTINGENCY</b> prepared for the possibility that something unexpected might happen or conditions may change.	I'm prepared to deal with the unforeseen. If this business idea doesn't work, I'll get a job or do what I have to do to support myself, and my family, and repay my debts.

## Know Yourself and What You Need

You are the key to the success of your business. How well do you know what your business needs from you and what you have to give to your business? How will you meet all those needs?

### **YOUR BUSINESS WILL NEED SOME OR ALL OF THE FOLLOWING:**

Your commitment of time

Your commitment of financial resources

Your skill in managing financial resources

Your experience in this business or industry

Your commitment to a successful business

Constant attention to the marketplace

Selling skills

Promotional skills and social media skills

Customer service

Operating systems and procedures

Technology for the business

Record keeping and accounting

Inventory management and control

Production management

Service management

Performance measuring and monitoring

Regular commitment of open hours

Compliance with laws and regulations

Compliance with tax filings and payments

Employee management

Insurance protection

Problem solving

New ideas

To operate even if you are ill or have personal problems



## COMPENSATE FOR YOUR WEAKNESSES

You have opportunities to “fill the gaps” in your experience, skill or knowledge. You can take classes to learn about record keeping or social media. You can get experience in your business or industry by volunteering or getting a job. You can “shadow” another business owner to learn about business operations. You can plan to hire people who have specific skills that you don’t have.

On the worksheet below, identify your weaknesses and write your ideas on how to fill the gaps of experience or education needed to serve your business. Three example strategies are included in the worksheet. What choices or alternatives do you have? If you hire someone, what qualifications should they have? How much will the choice cost? If this is a temporary solution, how long will it take before the next step?

### WORKSHEET – PROFESSIONAL DEVELOPMENT PLAN

Weakness:	Compensate by:
Record keeping and accounting	Contract for services with Acme Accounting. Monthly fee of \$350 negotiated for first year, including setting up record keeping system.
Industry experience	Join trade association – first year membership fee \$250. During business planning process, work with vendors and suppliers to learn about the industry.
Selling	Use business plan research to strengthen knowledge of your business. Practice your speech in front of a mirror.
	Take a class or seminar.
	Hire a salesperson.



## WORKSHEET – PERSONAL INCOME AND EXPENSES (MONTHLY)

<b>Personal Income and Expense Worksheet (Monthly)</b>			
<i>CASH IN</i>		<i>CASH OUT</i>	
Alimony received		<b>2 TOTAL SAVINGS</b>	Healthcare Expenses
Child Support		Household Expenses	Dental insurance
Disability income		Electricity	Disability insurance
Employer paid health insurance		Heat	Health insurance
Employer paid re-employment insurance		Mortgage/CD payment	Life insurance
Employer paid workers' compensation		Property insurance	Medical insurance
Food stamps		Real estate taxes	Prescriptions
Fuel assistance		Rent	Other medications
Housing subsidy		Repairs/maintenance	Other
Investment income		Telephone/Internet	<b>7 TOTAL HEALTHCARE</b>
Medical assistance		Television cable	Personal Expenses
Net wages-self		Trash removal	Child, elder care
Net wages-spouse		Water and sewer	Cleaning, laundry
Net wages-children		Other	Clothing, shoes
Self-employment		Other	Dues, memberships
Social security		<b>3 TOTAL HOUSEHOLD</b>	Education, training
TANF (public)		Vehicle Expenses	Entertainment
Other		Gas, parking	Gifts, contributions
Other		Repairs/maintenance	Hobbies, subscriptions
Other		Vehicle insurance	Travel, vacations
Other		Vehicle loan payments	Other
Other		Other	Other
Other		Other	<b>8 TOTAL PERSONAL</b>
Other		<b>4 TOTAL VEHICLE</b>	Other Expenses
Other		Food expenses	Alimony paid
Other		Dining out	Child care paid
Other		Groceries	Credit card payments
Other		Supplies	Income taxes
Other		Other	Self-employment tax
Other		Other	Student loan payments
Other		Other	Other
Other		Other	Other
Other		<b>5 TOTAL FOOD</b>	Other
Other		School expenses	<b>9 TOTAL OTHER</b>
Other		Books	<b>10 TOTAL CASH OUT</b> add lines 2 through 9
Other		Extracurricular	
Other		Tuition	
Other		Other	<b>11 CASH EXCESS</b> (SHORTAGE) subtract line 10 from line 1
Other		Other	
<b>1 TOTAL CASH IN</b>		<b>6 TOTAL SCHOOL</b>	

## WORKSHEET – PERSONAL FINANCIAL STATEMENT

<b>Personal Financial Statement</b>		<i>please omit cents when preparing this form</i>	
<p>Note: If assets and liabilities are individually owned, circle "I" in the amount columns. If you and another person jointly own assets or liabilities, please circle "J" in the amount columns.</p>			
ASSETS OWNED		LIABILITIES OWED	
Description	Estimated Market Value	Description	Outstanding Balance
Cash, checking (bank name, account #)	I      J	Mortgage on homestead	I      J
Cash, savings (bank name, account #)	I      J	Mortgage on other real estate	I      J
IRA or other retirement account (describe)	I      J	Installment loans accounts	I      J
Auto #1 (make, model, year)	I      J	Revolving credit accounts	I      J
Auto #2 (make, model, year)	I      J	Loans co-signed for others	I      J
Life insurance:  Cash value: \$	I      J	Taxes owed	I      J
Real estate (homestead address)	I      J	Other liabilities	I      J
Real estate (other address)	I      J	Loans on insurance, retirement accounts or bank accounts	I      J
Stocks, bonds, investments (describe)	I      J		
Personal assets (list on separate sheet)	I      J		
Other (list on separate sheet)	I      J		
<b>TOTAL ASSETS</b>		<b>TOTAL LIABILITIES</b>	
<b>PERSONAL NET WORTH</b>			
(Total assets minus total liabilities)			

(continued)





OTHER OBLIGATIONS THAT YOU OWE SUCH AS ALIMONY,  
CHILD SUPPORT OR SPOUSAL MAINTENANCE

Description	Amount	Past due?	Description	Amount	Past due?
		No Yes			No Yes
		No Yes			No Yes
		No Yes			No Yes
		No Yes			No Yes
Are you a co-maker, endorser or guarantor on any loan or contract?		No Yes→	If yes, for whom and to whom?	Amount	
Are there any unsatisfied judgments against you?		No Yes→	If yes, to whom owed?	Amount	
Have you declared bankruptcy in the last ten years?		No Yes→	If yes, in what city and state?	Year	



## SAMPLE BUSINESS READINESS ASSESSMENT CHECKLIST

MARKET		Yes	No
Products/Services	<i>Is your product or service clearly identified?</i>		
Distribution	<i>Have you identified appropriate methods of distribution for your product or service?</i>		
Industry	<i>What knowledge do you have of the industry? What are the industry trends on a local, regional, and national and international basis?</i>		
Competition	<i>Who will you be competing against? What are their strengths and weaknesses? How will your business compare?</i>		
Customer	<i>What are the characteristics of your target customers? Who will you be selling your product or service to?</i>		
Position	<i>What will be your position in the marketplace? Is it clearly identified? Will it be difficult to establish?</i>		
Packaging	<i>How will you package your product or service? Is it appropriate? Do you have an appropriate location for your business?</i>		
Promotion	<i>Do you have a plan to promote your product or service? Is it affordable? Do you have a web site? What other social media will you use?</i>		
Pricing	<i>How will you determine pricing for your product or service? Will you price higher, lower, or the same as your competitors?</i>		
Selling	<i>Who will be responsible for sales? What are their qualifications for selling your product or service?</i>		
MANAGEMENT			
Who will manage?	<i>Will you manage the business yourself? If someone else will be managing your business, do they have the training, skills, and experience necessary?</i>		
Readiness	<i>Have you researched and obtained the necessary licenses, permits, tax ID's, etc.?</i>		
Record keeping	<i>Do you have a record keeping system in place?</i>		
Policies/procedures	<i>Have you created policies and procedures for your business? Who will handle accounts, customer service, inventory management, etc.?</i>		
Technology	<i>Do you have the appropriate technology to use in your business? Will you sell on the web? If so how?</i>		
Risk management	<i>Do you have the proper insurance in place?</i>		
MONEY			
Personal finances	<i>Do you know your personal income, expenses and net worth?</i>		
Credit worthiness	<i>Do you know your credit history? Have you obtained a copy of your credit report?</i>		
Cash flows	<i>Have you done two years of cash flow projections for your business? Will the business be feasible in \$ volume, owner draw, taxes, and sales projections?</i>		
Start up, working capital needs	<i>Have you identified what you will need to get your business started? Do you have sufficient capital?</i>		
Breakeven	<i>Have you determined at what point your business will reach break-even? Is it an attainable level? Can you continue to sell above that level? Do you want to?</i>		
Collateral	<i>Do you have sufficient collateral for any loans you have or may need?</i>		
CONTINGENCIES			
Sales below projections	<i>Have you considered what will happen if you don't make your sales projections? How long can you maintain?</i>		
Expenses increase	<i>Have you planned what to do if your expenses increase unexpectedly? Temporarily? Permanently?</i>		
Competitor aggression	<i>Have you thought about how you will handle a competitor aiming to put you out of business? Can you survive?</i>		
Illness, emergency	<i>Have you decided who will operate the business if you can't? Short term? Long term?</i>		
Can't make payments	<i>Do you know how you will pay the bills of the business if the business can't?</i>		

# Business Plan Outline

Use the following outline to *summarize* your business planning *decisions*. Title each section of your written plan as indicated in the outline. Write, in your own words, answers to the questions listed. Each question can be the start of a new paragraph. If a question does not apply, explain why it does not apply. Note the attachments are items you add to the plan if you are seeking a loan..

Tip: You don't have to win a Pulitzer Prize here. You don't have to be a great writer. The readers will care more about what the plan says than how it is written. Write the most clear and simple answers you can to the questions listed.

## ⇒ BUSINESS PLAN SUMMARY

- Briefly describe your products and services.
- Describe the history of your business if it is an existing business, or how you developed your idea to start a new business.
- Describe the legal structure of your business – sole proprietorship, partnership or corporation.
- Describe your experience in this business and how it will help you succeed including your reason for believing the business will succeed.

## ⇒ Description of Products and Services

- Describe the products and/or services
- How will your product be made or how will your services be provided?
- Who will supply the materials?
- What future products/services will you offer, and when?

## ⇒ MARKET PLANNING

- Products or Services
  - What customer need or want is being filled?
  - What are the features and benefits of your products or services?
- Distribution
  - How will your products or services be distributed?
- Industry
  - What is happening in your industry (is it growing, stable or declining)?
  - What do you believe the future holds for this industry?
- Customers
  - Who are your customers – what does your customer profile look like?

- How many customers will your business have?
- What information do you have that supports your decisions about your customers?
- What is the growth potential for this business? What is your plan for growth?
- What information do you have that supports your decisions about growth?
- Competition
  - Who are your main competitors?
  - What are their strengths and weaknesses?
- Position
  - What will your market position be?
  - What is your competitive advantage – why will customers buy from you instead of the competition?
- Image and Packaging
  - What will the image of your business be?
  - What will your packaging look like (attach samples)?
  - What do your business cards and promotional material look like (attach samples)?
  - Where will your business be located, and why did you choose this location? Include a sketch of your floor plan.
- Pricing
  - How did you determine your pricing strategy?
  - How do your prices compare to the competition?
- Marketing Goals
  - What is your dream – where do you see your business in the next 2 to 5 years?
    - Example goals:
      - I want to start a successful business with a 10 % profit margin in 24 months.
      - I want to expand my sales by 50% in 12 months.
      - I want to add one new products/service within 18 months
    - What are your objectives for each of your goals? Why do you think they are realistic, how will they be measured, and when will they be achieved?
      - Example objectives:
        - I will increase my marketing to targeted customers with a monthly special.

- I will complete market research on the new product in three months
- I will decrease the amount of time I hold inventory to 20 days.
- Marketing Strategy including social media
- What is your promotional plan? How will you use social media?
- Do I have a web site? Do you need ecommerce on your site? How will it support my business?

#### ⇒ CASH FLOW PLANNING

- Include a month-by-month cash flow projection for at least the first two full years. Include written assumptions (explanations) supporting your projections.  
*If your business starts or the plan starts during a year, the first year projection will be a partial year. There should be two full years of projections after the partial year.*
- Include at least two years of financial statements for existing businesses. (If not in business two years, include what is available). Include, if possible, balance sheets and profit and loss statements.
- Include your personal financial data: Personal Financial Statement (Assets, Liabilities and Net Worth) and a monthly income and expense statement (your personal financial plan).

#### ⇒ OPERATIONS PLANNING

- Who will handle which functions in the business?
- What will their duties and qualifications be?
- If employees, how many will you have and what will their duties be?
- Who will hire, train and supervise them?
- What will it cost your business for the first two years?
- What will your owner draw be for the first two years?
- What will your employee salaries be for the first two years?
- Who will your lawyer, accountant, insurance agent, and other advisory team members be?
- How will you manage your record keeping, finances, and inventory?
- What licenses, permits or regulations will affect your business? (Attach copies of licenses, permits, or regulatory forms.)
- Will you have to collect and pay sales tax, and if so, how much and for which entity (state or city)?
- What types of insurance will you need (attach bids or copies of policy summary page)?



- What types of payments will you accept (cash, check, credit cards, house accounts, etc.)?
- What contingency plans have you made for *you*?
  - What will you do if you become sick or are injured, or in the event of a family or personal emergency that takes you away from the business? Who will take care of the business? How much will it cost?
  - What will you do if your car breaks down?
  - What will you do if your day-care provider can't take care of your kid/s today, or if your kid/s are too sick to go to school?
- What contingency plans have you made for the *business*?
  - What will you do if sales are not what you expected? What will you do to increase them?
  - What will you do if costs are higher than you expected? What will you do to decrease them?
  - How will you make decisions to continue to stabilize or increase your cash flow and profits?
  - What will you do if a competitor lowers its prices?

⇒ **ATTACHMENTS – If Seeking a Loan**

Attachments should be provided to substantiate your claims in your plan. Always keep copies of the original documents for your files.)

- Two years of personal income tax returns if requesting a loan.
- Two years of business income tax returns.
- Credit application (form from the lender) if requesting a loan.
- Collateral documents (titles, abstracts, or other proofs of ownership) if requesting a loan.
- Lists of assets to be acquired and their costs.
- Resumes of yourself and others who will work in the business.
- Market studies.
- Articles from magazines, newspapers, or the World Wide Web.
- Photographs, sketches of your products or floor plan, brochures describing your services.
- Copies of leases or other contracts.
- Letters of intent from customers to do business with you.
- Examples of your brochures, business cards, stationery and other materials.

# Chapter 2: Market Planning





# WORKSHEET – FEATURES AND BENEFITS

1. What customer problems are you solving, or what customer needs or wants are you filling?


2. What future products or services will you offer and when?

Products or Services	By when?

3. List the features and benefits of your primary products or services. Note: a feature can offer more than one benefit

Prod/Service	Features	Benefits
A		
B		
C		
D		



**4. What are the strengths and weaknesses of your primary products or services?**

Prod/Service	Strengths	Weaknesses
A		
B		
C		
D		

**5. How are your products produced, or how are your services provided?**


**6. Who will supply the materials you need to make your product or provide your service?**

Prod/Service	Supplier Name and address	What will they supply?	Payment terms?
A			
B			
C			
D			



<b>7. Why did you select these suppliers? Do you have alternative sources? If so, who are they?</b>
<b>8. When and how often will your customers buy your products or services?</b>
Season? Day of week? Time of day? Every day? Once a month? Once a year?
<b>9. In what other ways could your customers fill their needs or wants instead of buying your products or services?</b>
If you had a telephone answering service, could customers use another service instead? Use a voicemail service or the internet? Hire a receptionist? Let their phone go unanswered? Call forward?
<b>10. What do you need in a web site? How will you use the internet to reach your customers?</b>
Do your competitors have web sites? Do your customers need to find you through a search? Will you sell over the internet? If so how? What other social media do you need?

## WHAT ARE YOUR CHOICES OF DISTRIBUTION?

						Advantages	Disadvantages
A	Your Business→			End-User		-Higher selling price -Lower production demands	-Costly/time consuming -Connect with fewer customers
B	Your Business→		Retailer→	End-User			
C	Your Business→		Wholesaler→	Retailer→	End-User	-Fewer customers, more end users -Sell larger quantities	-Lower selling price -Higher production demands
D	Your Businesses→	Commission/Agent	Wholesaler→	Retailer→	End-User		
E	Your Businesses→	Commission/Agent→	Retailer→	End-User	End-User		
Example	Your cost \$12	Makes \$1.26(7% of sale to next in chain)	Pays \$18 (makes \$6)	Pays \$30 (makes \$12)	Pays \$50		

The chart above shows the potential impact of distribution choices on your profit margin.

Let's say you make mittens. The mittens always cost you \$12 per pair to make. The end-user, the person who will own and wear the mittens, will pay \$50 per pair, no matter who they purchase the mittens from.

Example A shows the simplest method of getting your product to the end-user, by selling directly to the end-user, such as at bazaars or craft shows by direct mail or your online store. By selling direct, you gross \$38 (\$50 minus \$12) on the sale. Your profit margin is 76% (\$38 divided by \$50). Because you produce and distribute from your home, your operating costs are minimal and you get to keep most of the \$38.

Example B is the more common form of distribution. If you offered your products for sale from your own retail store, the gross from the sale is still \$38 and the gross profit margin is still 76%. However, you have more expenses to pay because you own or lease a store. By the time you are done paying bills you will keep a much smaller portion (the net) of the \$38 from this type of sale.

Example B could also include selling your products via consignment in another person's store where you would split the sale of the mittens with the storeowner (e.g., 40% to the store owner and 60% to you). When the end-user buys your mittens for \$50, the storeowner gets \$20 and you get \$30. Your gross from the sale has been reduced to \$18 (\$30 minus \$12), and your profit margin has dropped to 60% (\$18 divided by \$30).

## WORKSHEET – DISTRIBUTION

**1. Who is your customer? Who is your end-user? In what way are their wants or needs different?**

**2. Which method of distribution will work best for you? Why?**

**3. Plot your primary distribution chain:**

<i>Your Business</i>	<i>Agent</i>	<i>Wholesaler</i>	<i>Retailer</i>	<i>End-User</i>
<i>Your cost</i>	<i>Commission</i>	<i>Pays</i>	<i>Pays</i>	<i>Pays</i>
\$	%	\$	\$	\$

**4. What costs are associated with your distribution method?**

**5. What are possible weak links in your distribution channel?**

**6. What are possible backup plans if your weakest link fails?**



## Market Research Chart

Source	Industry	Customer	Competition
Internet	√	√	√
Business/Industry Statistics www.bizstats.com			
Google search	√		√
Encyclopedia of Trade Associations	√	√	√
Trade Publications/Magazines	√	√	
Wholesalers/Suppliers	√	√	
Franchises	√	√	√
Chambers of Commerce	√	√	√
Local economic development agencies	√	√	√
Bureau of Labor Statistics	√		
Standard and Poor's Industrial Outlook	√		
Risk Management Association	√		
Your Business Competitors	√	√	√
A Guide to Consumer Markets		√	
Census Information www.census.gov		√	
S&MM's Survey of Buying Power		√	
Encyclopedia of Business Information Sources	√	√	√

### MARKET RESEARCH SOURCES

You can find many of these sources, including access to the Internet, at your local library. Depending on your business, not all of these sources will have information relevant to your business.

**Google search or www.yellowpages.com** - an online search may provide the names of your competition as well as names of businesses in other cities that might help you. If you are not sure if your marketplace can support another business like yours, use google or yellowpages.com of a city of comparable size to find out how many businesses are supported in that city. Popular sites like Etsy and Pinterest might provide other resources.

## WORKSHEET – MARKET RESEARCH

1. Conduct an online search. Go to **www.yellowpages.com**. Write down all of the possible categories you might list your business under. You will use these categories for other research.


2. Using the categories you listed above, search **google.com** or **www.yellowpages.com** and list all of the businesses that might be your competitors. Use more paper when needed.

Business Name	Address	Phone

3. Using the categories you listed above under question 1, search online in another city's (a city with about the same population and demographics as the city where you will locate your business) and list all the businesses that might be your competitors. Use more paper when needed (use **www.google.com** or **www.yellowpages.com** for this research)

Business Name	Address	Phone

How many similar businesses did you find?	What is the name of the city?	What is the population of the city?

4. Search online such sources as the Encyclopedia of Associations, Directory of Associations, or National Trade and Professional Associations of the United States Directory and list any associations that appear to be relevant to your business. If you cannot think of associations important to your business, search for associations to which your customers or suppliers might belong. Write down your findings. (Try a Google search on your computer to see what associations may exist.) Use more paper when needed.

Association Name	Address	Phone

5. Contact or email trade associations requesting information. Tell them you are doing market research for your business. Review their web sites to find some of these answers. Ask them questions like:

- ⇒ What benefits would your business receive by joining their association? How much does it cost to join?
- ⇒ What market information do they have? Can they refer you to other sources that may have market information?
- ⇒ Will they provide names and addresses of other members you could contact to find out what they think of the association?
- ⇒ Does the association offer a trade magazine? Would they mail a sample copy for you to review?
- ⇒ Does the association have meetings in or near your community? Could you attend a few as a guest before you join?

6. Online, search the *Reader's Guide to Periodical Literature*, *Gale Directory of Publications and Broadcast Media*, and periodical section for trade magazines that cover your business or industry. Search online for other information about trade publications for your business or industry. Write down your findings. Use more paper when needed. You can also search at [www.jjhill.org](http://www.jjhill.org).

- ⇒ Read these publications to see if you can find useful information. Look closely at the advertisements and classifieds. Advertisements can sometimes provide insight into what is happening in your industry.
- ⇒ Copy any articles that will substantiate information you will include in your business plan about your industry, customers, or competition.
- ⇒ Tip: If you were going to sell reptiles and other exotic animals, you could look under Reptiles, Snakes, or Exotic Animals. Many of these magazines and guides are published quarterly or semi-annually. Look at several issues.

Publication Name	Article Title/Author	Issue Date	Page No.





7. If you are going to sell your product to a wholesaler, your wholesaler can give you useful information about your industry, product, and customers. Look online for *The American Wholesalers and Distributors Directory* or *The Thomas Register of American Manufacturers*, each of which contains lists of wholesalers.

⇒ Write or call the wholesalers you identify. Tell them you are doing market research for your business and what products you offer. Find out how the wholesalers do business. Do they have any market information for you? Can they help you identify how many of your products you could sell, and to whom?

Wholesaler Name	Address	Phone

8. If you plan to hire an agent to sell your product, look for the *Directory of Manufacturer's Sales Agencies* and list the agents available to sell your product. You can also search for similar products outside your area and see who represents them. There may be more current information online.

⇒ Write or call the agents you identified. Tell them you are starting or expanding your business and what products or services you offer. Find out how they do business. Do they have market data or helpful hints for you? Can they tell you how many items you might expect to sell and to whom?

Agency Name	Address	Phone



9. To find out if a franchise opportunity is available, check the books listed below. They may be available in your library, or you can write directly to the publisher. You also can look under “Franchise”online or check [www.amazon.com](http://www.amazon.com) to see what other books are available.

Annual Franchise 500 Entrepreneur Magazine 2445 McCabe Way Irvine, CA 92614 <a href="http://www.entrepreneurmag.com">www.entrepreneurmag.com</a>	Bond’s Top 100 Franchises Robert Bond Source Book Publications 1814 Franklin Street, Suite 820 Oakland, CA 94612 <a href="http://www.sourcebookpublications.com">www.sourcebookpublications.com</a>
---	--

Franchising 101 Ann Dugan Upstart Publishing Company, Inc. 12 Portland Street Dover, NH 03820	Franchising for Dummies Michael Seid John Wiley & Sons, Inc. 605 3 <sup>rd</sup> Avenue New York, NY 10158-0012 <a href="http://www.wiley.com">www.wiley.com</a>
---	---

10. Contact your local Chamber of Commerce to find out what information is available. You may find your Chamber of Commerce’s Directory online at their website. In this directory, you will find lists of members who might be potential customers or competitors. You may find business trends or population data that could be useful. You could also look from year-to-year in each directory to see if businesses are entering or leaving the marketplace.

Potential Customers	Industry Information	Potential Competition

11. Look at the Business Service Directory in your local newspaper or shopper to find names of possible competitors. Do an online search. Many times, businesses will not advertise. There are other sites online such as Angie’s List, Craig’s List, Etsy, or Ebay.

Possible Competitor	Address	Phone

12. Search online to find feature articles on similar businesses. You can also use the online version of your local newspaper for current articles. Sometimes



you can find these feature articles in other cities' newspapers.

Name of Business or Article	Publication Name	Publication Date	Page No.

13. Learn all you can about your industry. Find either online: *Standard and Poor's* ([www.standardandpoors.com](http://www.standardandpoors.com)) and the *Market Share Reporter* (also available at [www.lexis.com](http://www.lexis.com)). Look online to understand the types of information they offer. Look under the subject/industry that applies to your business. Make copies of these pages of information for future reference.

Did all of your sources have the same outlook? What is the general outlook?

Is the industry growing, declining, or changing? In what way?

14. Measure your actual or projected financial performance against the industry average. To do this, search online for *Almanac of Business and Industrial Financial Ratios* or *RMA – Risk Management Association's Annual Statements* under your industry classification. Copy the pages that apply to your business type. Also copy the pages that explain what each financial ratio means and how they are calculated. You can also go to [www.bizstats.com](http://www.bizstats.com) for the same information.

- ⇒ Compare your projected profit margin to your industry average profit margin. This ratio will tell you what percent of your sales should be your profit. For example, if you are starting a flower shop, the industry profit margin is approximately 4%. This means for every \$100 of sales, you make \$4 (after all expenses but before taxes). If you are starting a real estate office, the industry profit margin is approximately 10%. This means for every \$100 of commission, you make \$10 (after all expenses but before taxes).
- ⇒ Each industry and business will have different expenses. By comparing your business to industry averages, you will learn if you are reasonably projecting the finances of your business.

15. To find other sources of useful information for business, go online and locate the *Small Business Source* book or the *Encyclopedia of Business Information Sources*. These books will tell you about associations, newsletters,



magazines, and other books about your industry. This comprehensive guide is arranged by subject. Look under the subject that applies to your business and copy all the pages showing the available resources. Locate these and other resources in your library and research what information they have to help you.

Your research notes:


**16. Obtain and copy any and all census and demographic information about your geographic market. You will use this information when completing your customer profile, target market, and number of potential customers.**

- ⇒ Census information can be used to estimate the size of your targeted market. Let's say your target market is women between the ages of 25 and 50 who make more than \$30,000 per year and live in your city. You can find the number of women who fit this description from census information. Use [www.census.gov](http://www.census.gov) or check your regional government organization.
- ⇒ Many community or economic development agencies have internet web sites with this type of data.
- ⇒ The *Source Book of Zip Code Demographics, 2010* published by ESRI Business Information Systems lists census information by city and also includes some buying power indexes.
- ⇒ A book titled *Demographics of the U.S.: Trends and Projections* by Charles Russell contains demographic information, trends, and projections.

Your research notes:


Online, do a search using titles that describes your business type (refer to the categories you listed in Exercise 1). For example, if you are starting a deli, you could look under Restaurants, Deli, Catering, or Food Businesses. Look for articles and information on your subject. You may find specific information that tells you all you need to know about starting your specific business. At a minimum, find any book about your subject matter.

Name of Reference Site	Information Listed	Date	Book or Article Referenced
------------------------	--------------------	------	----------------------------

<p><b>17. Contact as many other business owners as possible. These people can be your greatest resource. Their experience, knowledge, and expertise cannot be duplicated in any book.</b></p>			
<p>If you had the chance to ask an experienced business owner any question about starting your business, what would you ask? You may be surprised how willing other business owners are to talk to you. Many will feel flattered by your asking them for their expertise.</p> <ul style="list-style-type: none"> <li>⇒ Make a list of the questions you would like to ask. A sample questionnaire is on the following page. Ask your questions in order of importance since you may only get to ask a few of them. Make copies of this or your own questionnaire so you have one for each business you contact.</li> <li>⇒ Call the business first to find out the owner's name. You could write the business owner a letter explaining how you got their name and that you are starting a similar business in another city. This may erase any fears the business owner may have about you being a competitor in the same marketplace. Let them know you would like to talk to them and ask a few questions because you value their experience.</li> <li>⇒ Always make an appointment to visit in person or by phone – don't drop by or phone and expect someone to be willing to spend time. Call to let them know how you got their name and why you are calling. The business owner will probably tell you more if you meet in person rather than over the phone.</li> <li>⇒ When you call the owner, thank them for taking your call. Ask them if this is a convenient time to talk, or if you should set up another time to call back. You should have your questions ready so you do not waste the owner's time. This will make sure you get your most important questions answered.</li> <li>⇒ At the end of every interview, thank the owner for his or her time and help. Send a thank you note as well. If the business owner was receptive to helping you, keep that in mind for future help once you have started your business.</li> <li>⇒ You will meet many individuals who do not want to help you and may even be rude. Do not let them discourage you – maybe they are having a bad day. Do not take it personally. It is common to feel self-conscious and unsure of yourself when talking with a stranger, but remember, they probably feel the same way. After all, you are a stranger to them, too.</li> <li>⇒ Open-ended questions, to which the answer cannot be yes or no, are best to ask. If you ask, "Do you have any advice for me?" the answer could be a simple "no." If you ask, "What would you do differently to start your business today?" it is likely you will get a more descriptive answer than "nothing" or "everything."</li> </ul>			

## QUESTIONNAIRE – FOR INTERVIEWING A BUSINESS OWNER

A sample questionnaire for interviewing a business is provided below. You can use the same questions as are on this form, or you can think of your own questions. Think about the *answers* and *information* that will be helpful to you, and then create the questions. Be sure to prioritize your questions in order of importance to you – you may only get the opportunity to ask two or three questions, so you want to be sure to focus on the ones that are most important.

It will be helpful for you to practice interviewing a business owner. Ask a friend or family member to help you. Trade roles – you can be the interviewer in the first practice session, and the business owner in the second practice session. This will give you an opportunity to think about how it will feel to be on either side of the conversation, and will rehearse you to feel comfortable during an actual interview.

		Date contacted
Person contacted	Business name	Business address
How long have you been in business? <i>Since most businesses fail within the first two to five years, this might give you an indication of how successful this business has been</i>		
How many employees do you have? <i>This will let you know the size of their operation. If they have 50 employees and you plan to have only a few, then their suggestions may not fit your business.</i>		
Who are your customers? <i>This may help you with your customer profile information.</i>		
How did you get started? <i>Business owners might share their bad experiences or mistakes. Sometimes it is more important to find out what not to do, rather than what to do.</i>		
What type of advertising has worked best for you? <i>This may help you when planning your promotional plan.</i>		
Is the business seasonal? <i>If so, when is the busiest time? This information will help you when preparing your cash flow.</i>		



What do you wish you would or would not have done if you could do it over again?

**Additional questions:**

***Do you have a website? Do you use any social media like Facebook? Twitter? LinkedIn? How?***



# Identify Your Industry

What is happening in your industry? Have there been any new developments that might give you a competitive advantage? Is technology changing the industry? In what way?

## WORKSHEET – INDUSTRY



<b>1. Is the industry growing, shrinking, or stable? How do you know?</b>
<b>2. Are companies entering or leaving the marketplace? How do you know?</b>
<b>3. Is the industry different in your region or area compared to what is happening nationally? If so, why, and what impact will it have on your sales or costs?</b>
<b>4. Have there been any changes in the industry? If so, what impact did they have?</b>





**5. How is technology impacting the business? What impact will technology have on the industry in the future? Why?**


**6. What trade associations are available for businesses in this industry?**

Association Name	Web Site Address	Phone

**7. Are there fees to join or participate? If so, how much and when do you need to pay them?**

	Monthly	Quarterly	Annually
Membership fee	\$	\$	\$
Meeting fees (lunch costs, etc.)	\$	\$	\$
Subscription fee for association magazine or newsletter	\$	\$	\$
Other (describe)	\$	\$	\$

**8. How do these associations support or work with the industry? How do you think they would or would not be helpful to your business?**


## WORKSHEET - INDIVIDUAL CUSTOMER NEEDS SURVEY

Gender  <input type="checkbox"/> Male  <input type="checkbox"/> Female	Annual Income*  <input type="checkbox"/> Under \$10,000 <input type="checkbox"/> \$11,000 to \$30,000 <input type="checkbox"/> \$31,000 to \$50,000 <input type="checkbox"/> Over \$50,000  *optional	Age  <input type="checkbox"/> Under 13 (parents) <input type="checkbox"/> 13-17 <input type="checkbox"/> 18-24 <input type="checkbox"/> 25-34 <input type="checkbox"/> 35-49 <input type="checkbox"/> 50-55 <input type="checkbox"/> over 55	Your zip code _____  Your occupation _____
1. Do you ever purchase this [product] [service]? <input type="checkbox"/> Yes <input type="checkbox"/> No Why or why not?  <div style="border: 1px solid black; height: 40px; width: 100%;"></div>			
2. Using the scale: 1=very important, 2=somewhat important, 3= not important, please rate the following about this [product] [service]:			
1-2-3	1-2-3	1-2-3	1-2-3
Quality	Customer service	Location of store	Service after sale
Availability	On time delivery		
Price			
3. What is the one thing you like most about this [product] [service]?  <div style="border: 1px solid black; height: 40px; width: 100%;"></div>			
4. How do you think the [product] [service] should be improved?  <div style="border: 1px solid black; height: 40px; width: 100%;"></div>			
5. If these improvements were made, would you be willing to pay more for the [product] [service]?  <div style="border: 1px solid black; height: 40px; width: 100%;"></div>			



If yes, how much more?
6. How often do you [buy] [use] this [product] [service]?
7. From whom do you buy this [product] [service]?
8. How much do you usually pay for the [product] [service]?
9. Do you buy this product online? Do you check out customer reviews online before purchasing?
10. Additional Notes:

## WORKSHEET – INDIVIDUAL CUSTOMER PROFILE

1. Research your *individual* customer profile.

Using the table on the left, record how your surveyed customers or prospects fit into each demographic you identify as important to your business. Create other demographic categories as needed for your business.

2. Identify your *composite individual* customer profile.

Using the table on the right, record the *largest group* from each category that you identified on the left.

Gender	Number	Percent
Male		
Female		
Total		100%
Annual Income		
Under \$10,000		
11 to 30		
31 to 50		
over 50		
Total		100%
Age		
0-13 (parent)		
13-17		
18-24		
25-34		
35-49		
50-55		
55+		
Total		100%
Occupation		
Admin/clerical		
Blue collar		
Professional		
Retired		
Student		
Other		
Total		100%
Zip Codes		
1		
2		
3		
4		
Total		100%

Gender	Number	Percent
Male		
Female		
Total		100%
Annual Income		
Under \$10,000		
11 to 30		
31 to 50		
over 50		
Total		100%
Age		
0-13 (parent)		
13-17		
18-24		
25-34		
35-49		
50-55		
55+		
Total		100%
Occupation		
Admin/clerical		
Blue collar		
Professional		
Retired		
Student		
Other		
Total		100%
Zip Codes		
1		
2		
3		
4		
Total		100%

3. Verify your original assumptions about your customers. You answered the following questions earlier. Now that you have researched your customers, are your answers still the same?

a) Who are your customers?
b) What benefits do your customers want or need?
c) What quantities will they buy?
d) How often will they buy?
e) When will they buy (season, time of day, week, month, year)? Do they buy online?
f) What are they willing to pay?
g) Why will they buy from you instead of someone else?
h) How many customers will you have?

## WORKSHEET – COMMERCIAL/INDUSTRIAL CUSTOMER PROFILE

### 1. Research your *commercial/industrial* customer profile.

Using the table on the left, record how your customers fit into each demographic category you identify as important to your business. Create other demographic categories as needed for your business.

### 2. Identify your *composite commercial/industrial* customer profile.

Using the table on the right, list the *largest group* from each category that you identified on the chart on the left.

	Number	Percent
Commercial		
Public/Govt		
Total		100%
Industry		
Retail		
Construction		
Health Care		
Total		100%
Employees		
1-25		
26-100		
101-250		
251-500		
over 500		
Total		100%
Annual sales (k=\$1,000)		
up to \$50k		
50k to 100k		
100K to 250K		
250K to 500K		
500k to 1,000k		
1,000k +		
Total		100%
Zip Codes		
1		
2		
3		
4		
5		
Total		100%

	Number	Percent
Commercial		
Public/Govt		
Total		100%
Industry		
Retail		
Construction		
Health Care		
Total		100%
Employees		
1-25		
26-100		
101-250		
251-500		
over 500		
Total		100%
Annual sales (k=\$1,000)		
up to \$50k		
50k to 100k		
100K to 250K		
250K to 500K		
500k to 1,000k		
1,000k +		
Total		100%
Zip Codes		
1		
2		
3		
4		
5		
Total		100%





## WORKSHEET – INDIVIDUAL CUSTOMER SATISFACTION SURVEY

In our continuous effort to improve the quality of service we provide, we seek the honest opinions of customers like you. Please take a minute to answer the questions below.

Gender __ Male __ Female	Annual Income* __ Under \$10,000 __ \$11,000 to \$30,000 __ \$31,000 to \$50,000 __ Over \$50,000 *optional	Age __ 0-13(Parent) __ 13-17 __ 18-24 __ 25-34 __ 35-49 __ 50-55 __ over 55	Your zip code _____  Your occupation _____
Using the scale: 1=Excellent, 2=Average, 3= Poor, please rate the following about our company:			
1-2-3		1-2-3	1-2-3
	Quality		Customer service
	Availability		Location of store
	Price		On time delivery
Variety			
Service after sale			
What is the one thing you like most about our company?			
What could we do to improve that would be helpful for you?			
How often do you [shop here, buy or use] our [product] [service]?			
How much do you usually spend when you shop with us?			
Why do you buy from us rather than someone else?			
What else could we provide for you that we presently do not have or offer?			
When you don't buy from us, who do you buy from? Why?			
Do you purchase online? How? Would you purchase this product online?			
Other Comments:			

## WORKSHEET – COMMERCIAL/INDUSTRIAL CUSTOMER SATISFACTION SURVEY

In our continuous effort to improve the quality of service we provide, we seek the honest opinions of customers like you. Please take a minute to answer the questions below.

Number of Employees		Annual Sales Range		Industry Classification		Zip Code	
Using the scale: 1=Excellent, 2=Average, 3= Poor, please rate the following about our company:							
1-2-3		1-2-3		1-2-3			
	Quality		Customer service		Variety		
	Availability		Location of store		Service after sale		
	Price		On time delivery				
What is the one thing you like most about our company?							
What could we do to improve that would be helpful for you?							
How often do you [shop here, buy or use] our [product] [service]?							
How much do you usually spend when you shop with us?							
Why do you buy from us rather than someone else?							
What else could we provide for you that we presently do not have or offer?							
When you don't buy from us, who do you buy from? Why?							
How does your company purchase over the Internet?							
Other Comments:							

# Identify Your Competition

## WHO ARE YOUR COMPETITORS?

Your competitors are those businesses that sell products or services similar to yours, to the same targeted customers as yours, and generally distribute in ways similar to you. Try doing a search using one of the search engines such as Google or Bing.

When you know how you will get your products to the marketplace (distribution) and who your customers are (target market), find out as much as you can about your competitors.

## WORKSHEET – COMPETITIVE ANALYSIS

### 1. Insert the names and addresses of your three main competitors:

COMPETITOR A		
Name	Address	Phone
COMPETITOR B		
Name	Address	Phone
COMPETITOR C		
Name	Address	Phone

### 2. Conduct a competitor evaluation.

Evaluate each competitor listed using criteria defined on the following page. A blank evaluation worksheet is on page 108.

Read through the definitions to understand what you are trying to evaluate.  
Add or delete criteria as appropriate.

Go shopping! See what your competitors have to offer. Write down your observations about each of the categories.

If you cannot visit the competition because they know who you are, have a friend or a relative, whose judgment you trust, perform the evaluation.

## WORKSHEET – COMPETITOR EVALUATION 1

Competitor's Name:

	Items Rated	Comments	1-10
1.	Product		
2.	Selection		
3.	Quality		
4.	Availability		
5.	Hours		
6.	Warranties		
7.	Expertise		
8.	Service after sale		
9.	Reputation		
10.	Image/appearance		
11.	Location		
12.	Special orders		
13.	Reliability		
14.	Credit policy		
15.	Management		
16.	Customer service		
17.	Advertisement		
18.	Customer type		
19.	Price		
20.	Web site/E-commerce		
	What is their greatest strength?		
	What is their greatest weakness?		
	What types of promotion do they use?		
	Does the promotion attract your attention? If so, how?		
	Do they regularly promote in the same way?		
	What is the primary value offered?		

## WORKSHEET – COMPETITOR EVALUATION 2

Competitor's Name:

	Items Rated	Comments	1-10
1.	Product		
2.	Selection		
3.	Quality		
4.	Availability		
5.	Hours		
6.	Warranties		
7.	Expertise		
8.	Service after sale		
9.	Reputation		
10.	Image/appearance		
11.	Location		
12.	Special orders		
13.	Reliability		
14.	Credit policy		
15.	Management		
16.	Customer service		
17.	Advertisement		
18.	Customer type		
19.	Price		
20.	Web site/E-commerce		
	What is their greatest strength?		
	What is their greatest weakness?		
	What types of promotion do they use?		
	Does the promotion attract your attention? If so, how?		
	Do they regularly promote in the same way?		
	What is the primary value offered?		



## EXAMPLE – COMPETITIVE ANALYSIS CHART – FLOWER SHOPS

	Items Rated	Competitor A	1	Competitor B	1	Competitor C	1	YB	1 to
		Grocery Store	to	Granny's Floral	to	Flowers Are Us	to	Your Floral Business	10
1.	Product	n/a	—	n/a	—	n/a	—		
2.	Selection	very limited	2	fair selection	4	wide variety	7		10
3.	Quality	wilt quickly	2	do not last	2	fresh flowers last about a week	7		7
4.	Availability	not always in stock	1	limited selection	4	most are available but some are special ordered	6		9
5.	Hours	7 am to 9 pm every day		10 am to 5pm Mon-Fri, Sat 9 am to noon		10 am to 5pm Mon-Fri, Sat 9 am to noon			
6.	Warranties	n/a	—	n/a	—	n/a	—	n/a	—
7.	Expertise	not trained in floral arrangements	0	some arrangement experience	4	good arrangement experience	6		9
8.	Service after sale	no returns or replacements	0	replaced if within one day of purchase	4	no returns or replacements	2		8
9.	Reputation	not very well known as a source of flowers	3	variety, but not consistent quality	4	variety and quality, poor customer service	4		0
10.	Image/ Appearance	kiosk display is messy and cluttered	3	cute store, attractive displays	6	Well-lighted, good displays	6		8
11.	Location	good location	7	out of way in residential area	2	good location	5		6
12.	Special orders	pre-packaged only	0	displayed items only	0	custom orders on request	7		9
13.	Reliability	n/a	—	n/a	—	n/a	—		
14.	Credit policy	cash, credit card or check	0	cash or check only	0	cash, check, or credit card	5		10
15.	Management	kiosk refilled weekly, wilted flowers remain in stock	2	offers sales, stock well maintained and fresh	5	Well-run business but poor customer satisfaction	5		9
16.	Customer service	none other than at checkout	4	only 1 employee and often have to wait	2	employees are rude and always "too busy"	2		10
17.	Advertisement	does not promote flowers at all	0	runs ads in weekly shopper		ads in local paper and local billboard			
18.	Customer type		0						
19.	Price	\$3.00 per rose		\$5.00 per rose		\$7.00 per rose		To be determined	
20.	Delivery		0		0		8		8
21.	Wire service		0		0		5		8
22.	Website	Home page with location and phone number	2	Site provides information on arrangements, prices, delivery options	6				
23.									
24.									
Total Scores			26		43		75		111
Number of categories rated			16		15		14		14
Average Score = (Total score divided by number of categories rated)			1.6		2.8		5.3		7.9
Greatest strength		Location, convenience		Cute store, has lots of charm					
Greatest weakness		Poor selection and quality, no delivery		Out of-way location, not best quality of flowers					



## EXAMPLE – MARKETPLACE POSITION – FLOWER SHOPS PART 1

With the flower shop's competitive analysis chart on the preceding pages as an example, how you would plot everyone's position on the market position chart?

	Company A	Company B	Company C	Company YB Your Business
Average Score	1.63	2.87	5.36	7.93
Price of Rose	\$3.00	\$5.00	\$7.00	Undetermined

Average Score	Price									
	\$2	\$3	\$4	\$5	\$6	\$7	\$8	\$9	\$10	\$11
1										
2		A								
3				B						
4										
5						C				
6										
7										
8	YB	YB	YB	YB	YB	YB	YB	YB	YB	YB
9										
10										

The dark shaded areas represent areas of the marketplace that you **cannot** enter. Customers typically will not pay the same price for less service, nor will they pay more for the same level of service.

Now you can evaluate your alternatives. YB represents your overall observations score.

The light shaded areas represent areas of the marketplace you **should not** have to enter. If people are already willing to pay a certain price for an existing level of service, you should not charge less for your service.

The white area represents your opportunity. If you offer more, you should charge more. In order to charge more, you must educate your customers about the benefits you offer. When customers understand what they are paying for, they are usually willing to pay a higher price. Once you understand where your competition is located, you can review your options and decide where you want to be in the marketplace.

### EXAMPLE – MARKETPLACE POSITION WORKSHEET – FLOWER SHOPS PART 2

	PRICE									
Average Score	\$2	\$3	\$4	\$5	\$6	\$7	\$8	\$9	\$10	\$11
1										
2		A								
3				B						
4										
5						C				
6										
7										
8	YB	YB	YB	YB	YB	YB	YB	YB	YB	YB
9										
10										



## WORKSHEET – COMPETITOR EVALUATION SUMMARY

	Items Rated	Competitor A	Competitor B	Competitor C	Your Business
1.	Product				
2.	Selection				
3.	Quality				
4.	Availability				
5.	Hours				
6.	Warranties				
7.	Expertise				
8.	Service after sale				
9.	Reputation				
10.	Image/appearance				
11.	Location				
12.	Special orders				
13.	Reliability				
14.	Credit policy				
15.	Management				
16.	Customer service				
17.	Advertisement				
18.	Customer type				
19.	Price				
20.	Delivery				
21.	Website				
22.					
23.					
Total Scores					
Number of categories rated					
Average Score =Total score divided by number of categories rated					
Greatest strength					
Greatest weakness					



## WORKSHEET – MARKET POSITION

After finding an average score for you and your competitors, plot everyone's position on the marketplace chart.

Write the price ranges across the top of the chart. Working from left to right, start with the lowest price and finish with the highest price. Then, under the appropriate price column, find the row that matches that competitor's average score. Find where the column and row intersect and place the name of that competitor in that box. Follow the example for Flower Shops on the previous pages.



	PRICE									
Average Score										
1										
2										
3										
4										
5										
6										
7										
8										
9										
10										

**1. What are your competitive advantages? What makes you unique from your competition?**

Place a  $\checkmark$  next to the items that will be your competitive advantage.

<input type="checkbox"/>	Most reliable	<input type="checkbox"/>	Best warranty	<input type="checkbox"/>	?
<input type="checkbox"/>	Most convenient	<input type="checkbox"/>	Best location	<input type="checkbox"/>	?
<input type="checkbox"/>	Best service after sale	<input type="checkbox"/>	Best credit policy	<input type="checkbox"/>	?
<input type="checkbox"/>	Most unusual	<input type="checkbox"/>	Best customer service	<input type="checkbox"/>	?
<input type="checkbox"/>	Most expertise	<input type="checkbox"/>	Best reputation	<input type="checkbox"/>	?
<input type="checkbox"/>	Best selection	<input type="checkbox"/>	Highest quality	<input type="checkbox"/>	?

**2. What changes will you make to improve your position in the marketplace?**

counselor, prospective customers, even competitors. Understand why they are critical and ask them to explain why they like or don't like what you have planned.

## WORKSHEET – LOCATION

1. Do you need a location for your business?


2. What type of location? Retail? Office?


3. Why do you need a location now? Can you start some other less expensive way?


4. Where is your office/store located? What does it look like?


5. Why did you choose this location?


6. What nearby businesses will help attract customers?


7. What are the prospects of business growth in the area?






8. What does your office/store layout look like? Sketch a diagram of floor space indicating equipment, furniture and fixtures. If the space below is not large enough, use a separate piece of paper.

WORKSHEET - LOCATION

1. Do you need a location for your business?

2. What type of location do you need?

3. How much space do you need?

4. What are your requirements for a location?

5. How much will it cost?

6. How long will it take to get a location?

7. How will the location affect your business?



<b>Will you rent or buy this space, and how much will it cost?</b>			
___ will operate from home.			
<b>If you will operate your business from your home, answer the questions in this section about costs, preparation, and location. Also – what space are you taking from your family or lifestyle? How will this work for you?</b>			
___ Rent	Monthly rent payment	\$	
Lease period ___ months	Insurance	\$	
	Utilities	\$	
___ Buy	Monthly mortgage payment	\$	
Mortgage term ___ years	Real estate taxes	\$	
Interest rate ___ %	Other costs (describe)	\$	
Purchase price \$ _____			
Down payment \$ _____	Other costs (describe)	\$	
<b>What type of remodeling is required, and at what cost?</b>			
Heating	\$	Flooring	\$
Air conditioning	\$	Roofing	\$
Electrical	\$	Bathrooms	\$
Fixtures	\$	Decorating	\$
Exhaust	\$	Permits	\$
Plumbing	\$		\$
	\$		\$
Total this column	\$	Total this column	\$
Subtotal			\$
Add contingency amount as a percent of subtotal		%	\$
Grand total			\$
<b>Get written bids from contractors, plumbers, and others to include in your business plan.</b>			
<b>How long will it take to prepare your business site?</b>			
<b>How will you provide handicap access?</b>			

## WORKSHEET – IMAGE/PACKAGING/SIGNAGE

1. Does your product style fit your desired image? Why or why not?

---

---

---

---

2. What is the name of your business?

---

---

a) Check with your state to determine if you must register your business name. If so, what process should you follow, and how much will it cost?

1

2

3

b) If you have a slogan or subtitle, what is it?

---

---

3. Will you have a logo? If so what will it look like?

---

---

---

---

---

---

---

---

a) How much will it cost to produce?

---

---

b) Who will produce it?

---

---

---

---



4. Will you have company color(s)? If so, what color(s) and why?

5. What typestyle will you use? What does it look like?

6. What will your business cards and stationery look like?

a) How much will these cost to produce?

b) Who will produce them?

7. Will you use brochures for customers? What will they promote? If so, what will they look like? Include samples in your business plan.

a) How much will they cost to produce?

b) Who will produce them?

8. Does your business need a website?



<b>a) What is the purpose of your site? What do you want to convey to the customer?</b>
<b>b) Who will design the site? What will it cost?</b>
<b>c) What will be your URL or address for your site?</b>
<b>9. Will you need a sign for your business? If so, what will it look like and how big will it be?</b>
<b>a) How much will it cost to produce?</b>
<b>b) Who will produce it?</b>
<b>c) How much will it cost to install?</b>
<b>d) What city, county or other zoning regulations apply? If permits or fees are required to put up your sign, how much will they cost?</b>
<b>10. What will YOU look like? How will you dress? How will your employees dress?</b>





a) If you have uniforms, how many will you need and how much will they cost?

Blank space for answer

b) Where will you get uniforms?

Blank space for answer

11. What will your carton or wrapping look like?

Blank space for answer

a) How much will it cost to produce or purchase?

Blank space for answer

b) Who will produce it, or where will you buy it?

Blank space for answer

c) Who will produce it, or where will you buy it?

Blank space for answer



## MOTIVATION CHART

SAMPLE BENEFITS	You Are Filling A Need (Food, Shelter, Transportation...)	You Are Filling A Want (Comfort, Gender Appeal, Status...)
Rational reasons:		
Durability	√	
Economy	√	
Handiness	√	
Efficiency	√	
Dependability	√	
Emotional reasons:		
Memories		√
Cleanliness		√
Pleasure		√
Love		√
Loyalty		√
Ambition		√

When using *rational* reasons to motivate your customers, facts and customer testimonials will make your products or services more credible. You also can use guarantees and test results to help customers understand the benefits of your products or services.

When using *emotional* reasons to appeal to your customers, the stronger the appeal, the more likely your customers will buy your products or services. Some customers need excuses to buy, so give them what they want. Haven't you ever let your heart dictate to your head when making a purchase?

## WHAT ARE THE THREE BASIC OBJECTIVES WHEN PROMOTING YOUR PRODUCT?

- 1) Get the customer's attention.
- 2) Convey a simple message stating the benefits to the customer.

## MARKETING OPTIONS

<p><b><u>One-on-One Selling</u></b></p> <p>Presentation materials</p> <p>Personal letters</p> <p>Customized proposals</p> <p>Brochures</p>	<p><b><u>Product/Service Promotions</u></b></p> <p>Event announcements</p> <p>Open Houses</p> <p>Customer Appreciation days</p> <p>Postcards</p>	<p><b><u>Other Types of Promotion</u></b></p> <p>Sponsorship of community events</p> <p>Seminars/Workshops</p> <p>Club memberships</p> <p>Trade Shows</p> <p>Handouts</p>
<p><b><u>Paid Advertising</u></b></p> <p>Radio</p> <p>Television/Cable</p> <p>Newspapers - Display Ads</p> <p>Newspapers - Classified Ads</p> <p>Magazines</p> <p>Shoppers</p> <p>Banner Ads - Web</p>	<p><b><u>Public Relations</u></b></p> <p>News releases</p> <p>Articles in magazines, journals</p> <p>Speaking engagements</p> <p>Interview shows on TV or Radio</p> <p>Public Service Announcements</p> <p><b><u>Facilities</u></b></p> <p>Window displays</p> <p>Site location and shared advertising</p> <p>Signs</p> <p>Fixture and layout of store</p> <p>Open Houses</p> <p>Special outdoor lighting</p>	<p>Sandwich boards</p> <p>Signs on buses and taxis</p> <p>Point of purchase displays</p> <p>Posters</p> <p>Magnetic car signs</p> <p>Blimps and balloons</p> <p>Free samples</p> <p>Telemarketing - calling</p> <p>Surveys</p> <p>Word of mouth</p>
<p><b><u>Sales Promotions</u></b></p> <p>Google AD Words</p> <p>Discounts</p> <p>Special directories</p> <p>Loss leaders</p> <p>Trade/Industry directories</p> <p>Coupons</p> <p>Indoor and Outdoor billboards</p> <p>Contests</p> <p>Email blast specials</p>	<p><b><u>Online Marketing/Social Media</u></b></p> <p>Facebook fan page for your business</p> <p>Linkedin.com listing for you</p> <p>Twitter account for the under 30</p> <p>LivingSocial.com</p> <p>Fastpitch.com listing</p> <p>Groupon coupon offering</p>	<p><b><u>Direct Mail</u></b></p> <p><b><u>Email Blasts</u></b></p> <p><b><u>Newsletters and E Newsletters</u></b></p> <p><b><u>Blog</u></b></p> <p><b><u>News Releases on Web</u></b></p> <p><b><u>Articles published on web sites</u></b></p>
<p><b><u>Specialty Advertising</u></b></p> <p>Matchbooks, key chains, other novelties</p> <p>Calendars</p> <p>Date Books</p> <p>Magnetic business cards</p>		

## TYPES OF PAID ADVERTISING

TYPE	POSITIVE	NEGATIVE
Television/Cable	High visibility and impact Can demonstrate your product	High cost Harder to target Less effective (too many channels)
Radio	Better targeting	Cost Message is in background Drive time more expensive
Magazine	Better targeting High quality-better image Customer is actively seeking	Less impact Builds awareness more slowly Can be costly
Newspaper (Placement in appropriate section)	Credible and acceptable Customer is seeking	Impact varies by industry i.e. high impact for retail and food, low impact for service businesses.
Google Ad Words	Customer is actively seeking Online growing in importance	Set your budget and will depend on the words that you buy.
Public Relations	Free	Hard to get Has to be news worthy for press release
Direct Mail	Better targeting	Low response: 1% - 2% Expensive costs with printing and postage
Trade Shows	Highly qualified sales lists	Costly, timely
Shoppers (papers)	Appeals to price consciousness Everybody receives Less expensive than other papers	Rarely read throughout Low quality
Outdoor/Transit	Size Impact Target by location Effective for simple messages	Inflexible Can be costly Message can physically deteriorate
Specialty Items	Usefulness of product ensures longevity of message Better targeting	Limited space for message Difficult to evaluate success of this type of promotion
Web Site	Searched by someone who wants what you sell	Commitment to maintain and keep interesting and current
Email Blasts	Current or past customers Very little cost	Must be short and timely Need system to provide unsubscribe process
Key Words-Google	Can set budget to control costs	Search word selection is key
Online Marketing and Couponing (Groupon, and Facebook.com)	Wide public distribution	High percentage paid to vendor and high cost for the lead

## WORKSHEET – MARKETING PLAN

1. What is your marketing message?


2. What forms of promotion and forms of advertising will you use? Why?

Type	Why

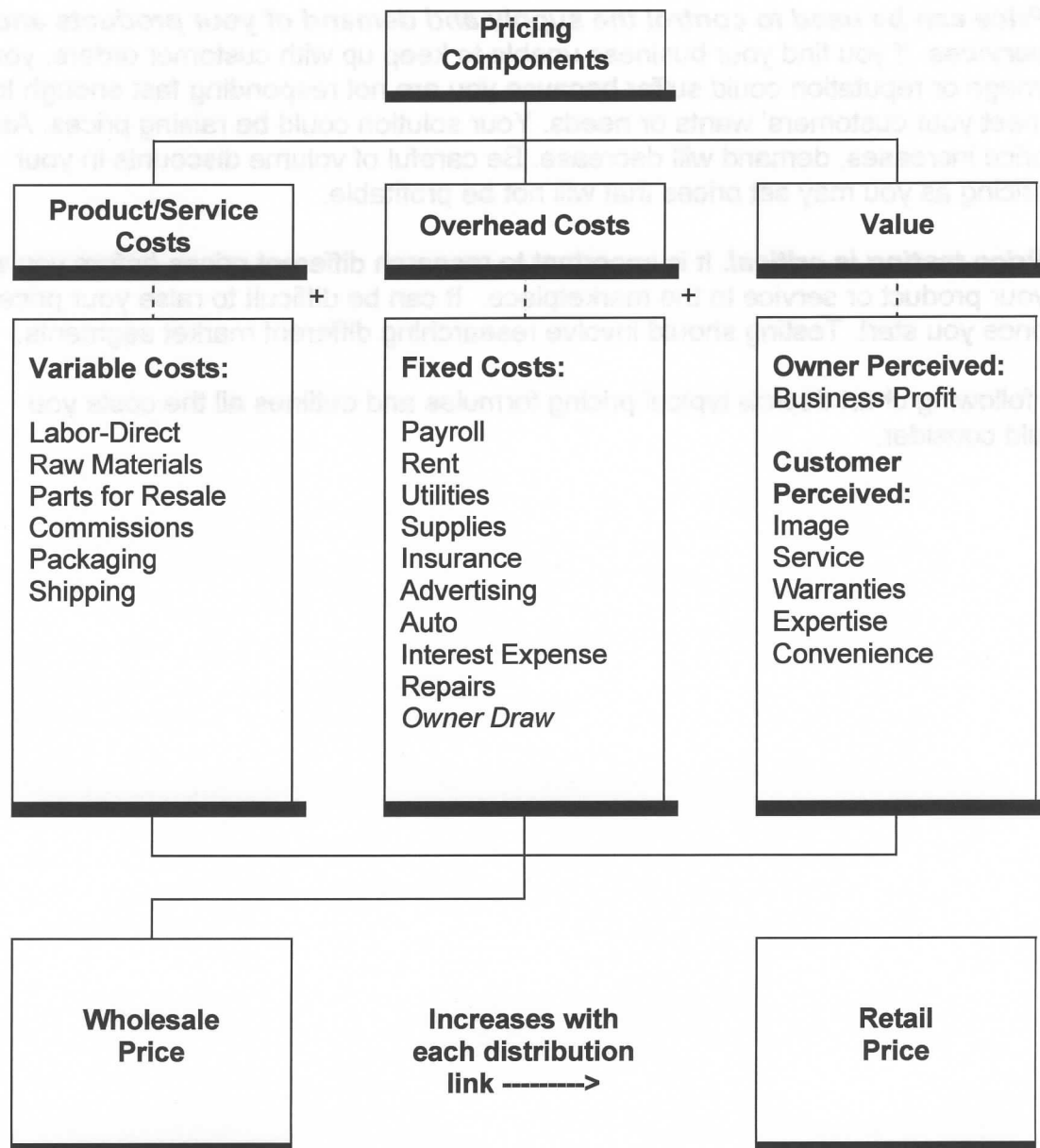
3. What will you ask your customers to do?


## EXAMPLE – MARKETING PLAN

Action	Who is Responsible	By When	Cost
Get url address	Me	June 1	\$240.00
Call paper for press release	Me	June 1	\$0.00
Get business cards printed	Me	June 15	\$50.00
Get web site	Partner	July 1	\$1500.00



## BASIC PRICING FORMULA





## WORKSHEET – PRICING: IDENTIFY YOUR COST TYPES

Check (✓) the boxes for the types of costs you will have for each category – actual dollars are not necessary at this time.

Variable Costs		Fixed Costs		Value Costs	
<input type="checkbox"/>	Labor-Direct	<input type="checkbox"/>	Rent	<input type="checkbox"/>	Business Profit
<input type="checkbox"/>	Raw Materials	<input type="checkbox"/>	Utilities	<input type="checkbox"/>	Product Selection
<input type="checkbox"/>	Parts	<input type="checkbox"/>	Office Supplies	<input type="checkbox"/>	Quality
<input type="checkbox"/>	Commission	<input type="checkbox"/>	Payroll	<input type="checkbox"/>	Availability
<input type="checkbox"/>	Packaging	<input type="checkbox"/>	Insurance	<input type="checkbox"/>	Warranties
<input type="checkbox"/>	Shipping	<input type="checkbox"/>	Advertising	<input type="checkbox"/>	Expertise
<input type="checkbox"/>	Inventory	<input type="checkbox"/>	Auto	<input type="checkbox"/>	Service After the Sale
<input type="checkbox"/>	Waste Disposal	<input type="checkbox"/>	Loan/Interest	<input type="checkbox"/>	Reputation
<input type="checkbox"/>	Purchases for resale	<input type="checkbox"/>	Repairs	<input type="checkbox"/>	Image/Appearance
<input type="checkbox"/>		<input type="checkbox"/>	Furniture/Fixtures	<input type="checkbox"/>	Location
<input type="checkbox"/>		<input type="checkbox"/>	Equipment	<input type="checkbox"/>	Customization
<input type="checkbox"/>		<input type="checkbox"/>	Remodeling Costs	<input type="checkbox"/>	Reliability
<input type="checkbox"/>		<input type="checkbox"/>	Legal/Accounting	<input type="checkbox"/>	Credit Policy
<input type="checkbox"/>		<input type="checkbox"/>	Licenses/Permits	<input type="checkbox"/>	Management
<input type="checkbox"/>		<input type="checkbox"/>	Maintenance	<input type="checkbox"/>	Customer Service
<input type="checkbox"/>		<input type="checkbox"/>	Dues/Subscriptions	<input type="checkbox"/>	
<input type="checkbox"/>		<input type="checkbox"/>	Trash Removal	<input type="checkbox"/>	
<input type="checkbox"/>		<input type="checkbox"/>	Entertainment	<input type="checkbox"/>	
<input type="checkbox"/>		<input type="checkbox"/>	Bank Charges	<input type="checkbox"/>	
<input type="checkbox"/>		<input type="checkbox"/>	Owner Draw	<input type="checkbox"/>	
<input type="checkbox"/>		<input type="checkbox"/>	Web site	<input type="checkbox"/>	
<input type="checkbox"/>		<input type="checkbox"/>	Email Service	<input type="checkbox"/>	
<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	
<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	
<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	
<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	

## WORKSHEET – CREATING YOUR SALES PRESENTATION

When creating your sales presentation, follow this order for two reasons: First, it is more effective with the customer, and second, the more you practice and use a routine, the better you can present yourself.

Regardless of whom you are selling to, all steps still apply.

1. What are some open-ended questions you can ask to build rapport?


2. What are some benefit statements you will use for the following people?

Customers	
Lenders	
Vendors/Suppliers	
Family	

3. What facts or data will help you with your sales presentation? Do you have a satisfied customer referral list?


## Build Your Marketing Plan

### HOW DO YOU BUILD YOUR MARKETING PLAN?

By now, you have all the answers! You’ve done the planning, and now can write your plan! You can verify if you have all the answers by answering the questions in the market planning section of the business plan outline in this book. If there is a question in the outline that you do not know the answer to, it’s time to do more homework!

Chapter 3:  
Cash Flow Planning

## WORKSHEET – STARTUP CASH ASSUMPTIONS

Category	Who did you contact? Did you get a bid or a quote? Will equipment be new or used? When must these items be paid? How did you figure it out?	Amount	Amount
		NEW	USED
Advertising and promotional materials			
Cell phone and added services			
Beginning inventory			
Bookkeeping and accounting supplies including software			
Cash register			
Computer, printer, Office software, and supplies			
Installation and training fees for computer or equipment			
Desks, office furniture			
Display racks, shelving, cabinets			
Grand or pre-opening advertising and promotion			
Insurance: business, liability, building, product, equipment			
Legal and accounting fees			
Licenses, permits, registrations, dues			
Office supplies			
Postage machine or startup postage			
Production and shop equipment			
Production and shop supplies			
Remodeling costs			
Rent (security deposit plus first and last month rent)			



STARTUP CASH ASSUMPTIONS WORKSHEET-CONTINUED

Category	Who did you contact? Did you get a bid or a quote? Will equipment be new or used? When must these items be paid? How did you figure it out?	Amount	Amount
		NEW	USED
Signs			
Stationery, business cards			
Telephones, pagers, Internet DSL, etc.			
Telephone installation and deposit costs			
Utilities – deposits and hookup			
Workers' Compensation insurance (partial or full payment?)			
Website development			
Web hosting			
<b>Working capital</b> (cash the business will need to purchase or produce inventory) until enough cash is generated by the business for purchases.	<b>Total:</b>		
<b>Operating capital</b> (cash the business will need to pay bills for non-inventory expenses) until enough cash is generated by the business for operations	<b>Total:</b>		

Working capital and operating capital are amounts calculated as a part of the "what if" exercises discussed under "Sensitivity Analysis" on page 198.

## WORKSHEET – CASH FOR GOODS OR SERVICES ASSUMPTIONS

Category	Who did you contact? Did you get a bid or a quote? Will equipment be new or used? When and how often must these items be paid? How did you figure it out?	Amount
<b>Direct Labor - Employees who produce products or provide direct services to customers</b>		
Employer's FICA		
Health Insurance		
Medicare		
Staff training		
Unemployment Insurance		
Vacation, holiday, and sick pay		
Wages		
Workers' Compensation		
<b>Purchases of merchandise, material or parts for resale</b>		
Beginning inventory		
Contract labor or services		
Freight in		
Freight out		
Production supplies		
Production waste disposal		
Warranty costs		
<b>Selling expenses</b>		
Commissions		
Royalties		



## WORKSHEET – CASH FOR OPERATIONS ASSUMPTIONS

Category	Who did you contact? Did you get a bid or a quote? How did you figure it out? When and how often (weekly, monthly, annually) is the cost paid? Is the cost seasonal?	Amount
<b>Indirect Labor - Employees who do not produce products or provide direct services to customers</b>		
Employer's FICA		
Health Insurance		
Medicare		
Staff training		
Temporary help		
Unemployment Insurance		
Vacation, holiday, and sick pay		
Wages		
Workers' Compensation		
<b>Facility expenses</b>		
Maintenance		
Real estate taxes		
Rent or lease payments		
Property insurance		
Utilities		

## WORKSHEET – CASH FOR OPERATIONS ASSUMPTIONS (CONT)

Category	Who did you contact? Did you get a bid or a quote? How did you figure it out? When and how often (weekly, monthly, annually) is the cost paid? Is the cost seasonal?	Amount
<b>General and administrative costs</b>		
Accounting fees		
Advertising and promotion		
Consulting fees		
Contributions		
Dues		
Insurance, hazard and liability		
Legal fees		
Lease payments, equipment		
Licenses, permits		
Memberships		
Office supplies		
Postage		
Subscriptions		
Telephone		
Trash removal		
Travel and entertainment		
Vehicle expenses		
Website costs		

## WORKSHEET – Sales Assumptions

In every business, sales will vary for reasons that can include the seasonal use of the product or service, the number of days per month, holidays, conflicting events and the weather. Sales can vary by time of day or day of the week. As you research your business idea and develop your marketing plan, you will learn about sales variations from industry research, potential customers, and other business owners. Recording the variations will help you identify your customers' shopping patterns and when your business will have the cash available/need cash for operations. The more you understand potential variations, the better you will be able to predict inventory and staffing, along with other expense categories that will vary with sales.

Based on your research, you will make assumptions for each category for a product or service you plan to offer. How many sales will you make each day, week or month? How much is an average sale? What are the terms of the sale? If it is not cash or credit card, when will you receive payment? You will want to account for the time delay in your projections. What does it cost to produce goods or services sold? How frequently will your customers purchase, and when?

Month	1	2	3	4	5	6	7	8	9	10	11	12
Product/Service #1												
Number of Sales												
Average Sale												
Cost to Produce												
Cash Received												
Product/Service #2												
Number of Sales												
Average Sale												
Cost to Produce												
Cash Received												
Product/Service #3												
Number of Sales												
Average Sale												
Cost to Produce												
Cash Received												

# Chapter 4: Operations Planning

# Forms of Business Chart

Considerations	Sole Proprietorship	Partnership	Corporation
<b>Number of owners</b>	Only one	Two or more	One or more
<b>Complexity and expense of organizing the business</b>	No legal requirements.	Statutory requirements. Consult both tax and legal advisors.	Legal requirements. Consult both tax and legal advisors.
<b>Liability of the business owners</b>	Owner is personally liable for all debts of the business, even if the debts exceed the owner's investment in the business.	Each partner is personally liable for all debts of the business, even if the debts exceed the partner's investment in the business, and even if the partner did not consent to the debt.	The corporation is a separate legal entity and in most cases that entity is liable for all debts of the corporation. Shareholders are <i>generally</i> exempt from personal liability beyond their investment in the corporation, but not always.
<b>Distribution of profits and losses</b>	Proprietor receives all profits and takes all losses.	Profits and losses are passed to partners as specified in their partnership agreement.	C-Corp: Profits and losses belong to and may be distributed by the corporation. S-Corp: Profits and losses flow through to shareholders in proportion to their shareholdings.
<b>Management control and decision-making</b>	Sole proprietor has full and complete authority.	All partners share equally in their right and responsibility to manage and control the business regardless of partnership agreement.	Rules for decision-making are established by law but may be modified by articles of incorporation or bylaws.
<b>Financing startup and operation of the business</b>	Limited to the amount the owner has or can personally secure.	Generally limited to the amounts each partner has or can personally secure.	Can raise capital by selling stocks or bonds.
<b>Transferability of ownership</b>	Transfer assets of business to new owner.	Determined by partnership agreement or by law.	Transferred by sale of stock.
<b>Continuity of business after withdrawal or death of owner</b>	Terminates at the death of proprietor or if proprietor is unable to manage business.	Determined by partnership agreement or by statute.	Has no legal effect on business but may impair operation of business without key personnel.
<b>Extent of government regulation</b>	No special regulations other than taxes or hazardous waste-type regulations. The least restrictive, most private form of business.	No special regulations other than taxes or hazardous waste-type regulations, and basic statutory rules for basic partnership management and relationships between partners and third persons.	Generally more formal and complex rules established by state and federal laws...also, most government filings are public documents.
<b>Compensation for services</b>	Generally, not an employee.	Generally, not employees of the business.	Shareholder-employees receive salaries and wages.

Considerations	Sole Proprietorship	Partnership	Corporation
<b>Disposition of ownership interest</b>	Proprietor can sell the assets or transfer them after changing the form of the business to a partnership or corporation.	Sale or exchange of partner's interest is governed by special rules and complex tax laws and is best undertaken with guidance from a tax advisor.	Individual shareholders can sell stock to dispose of their ownership.
	Proprietor can close the business and keep the assets.		The corporation can liquidate all or a portion of its assets. Corporate liquidation or closure is governed by special rules and complex tax laws and is best undertaken with guidance from a tax advisor.
<b>Who is the taxpayer?</b>	Business owner.	Each partner in accordance with his or her share as specified in partnership agreement.	C-Corp: First the corporation, then shareholders who are taxed on dividends they receive.
			S-Corp: The corporation is not taxed; however, like a partnership, each shareholder is taxed in accordance with his or her ownership.
<b>Unemployment Taxes (FUTA, SUTA)</b>	FUTA: Children under 21, spouse, parent are exempt.	Owners are exempt.	C-Corp: Pay FUTA and SUTA on owners salary.
	SUTA: Children under 18, spouse, parent are exempt.		S-Corp: Pay FUTA and SUTA on owners salary, but generally can't collect.
<b>FICA (Social Security and Medicare)</b>	Children under 18 are exempt; can save about \$600 in FICA per child when paying \$4000 per child.	Pay FICA on children unless parents are the only partners.	C-Corp and S-Corp: Pay FICA on owners salary.
<b>Income tax impact</b>	The proprietor combines net income or losses from the business with income and losses from other sources of the proprietor, and pays income tax at the proprietor's individual income tax rate, whether or not business income is withdrawn for personal use or retained in the business.	Each partner combines his or her profits or losses from the business with income and losses* from other sources of the partner, and pays income tax at the partner's individual income tax rate, whether or not the income is withdrawn for personal use or retained in the business.	C-Corporations are separate taxable entities, and profits are taxed at current federal tax rates; then (like partnerships) shareholder distributions are taxed at each individual shareholder's income tax rate.
	Proprietor also pays self-employment tax (SE Tax) on profits.	Partners also pay self-employment tax (SE tax) on profits.	S-Corporation profits are not taxed. Similar to partnerships, shareholders are taxed on their share of profits at each individual shareholder's income tax rate.
	The business entity does not pay income tax.	*Certain deductions may not be permitted, and losses are generally limited to partner's adjusted basis in partnership.	Corporations may also pay a state Corporate (Franchise) Income Tax.
			Corporations in some states pay a minimum fee, in addition to any tax liability the business may have.





Considerations	Sole Proprietorship	Partnership	Corporation
<b>Selection of tax year</b>	Generally uses calendar year.	Generally the same tax year as the principal partners. May establish a fiscal tax year if can demonstrate to IRS that there is a business purpose for a fiscal tax year.	May establish a fiscal tax year that conforms to natural business cycle when first income tax return is filed (unless a personal service corporation which must demonstrate to IRS that there is a business purpose for a fiscal tax year).
<b>What tax forms are used?</b> <i>See your state income tax guide for state forms</i>	FED: Form 1040, Individual Income Tax Return; Schedule C or Schedule C-EZ (Farmers Schedule F); and Schedule SE.	FED: Partnership on Form 1065 and Schedules K, K-1 or E.  Partner on Form 1040.	FED: Corporation on Form 1120, Form 1120-A or Form 1120S and supporting forms and schedules.  Shareholder on Form 1040.



## WORKSHEET – INSURANCE

	Quote #1		Quote #2	
<b>Date:</b>				
<b>Insurance Company:</b>				
<b>Agent or Broker:</b>				
<b>Type of Coverage</b>	<b>Amount</b>	<b>Cost</b>	<b>Amount</b>	<b>Cost</b>
<b>GENERAL LIABILITY</b>				
Bodily injury to others				
Key person				
Business interruption				
Extra expenses after loss				
Other				
<b>Total Premium</b>				
<b>Terms</b>				
<b>PREMISES</b>				
Replacement cost				
Structure				
Fire				
Windstorm				
Lightning				
Vandalism				
Glass damage				
Signage				
Other				
<b>Total Premium</b>				
<b>Terms</b>				
<b>EQUIPMENT AND INVENTORY</b>				
Fixtures and equipment				
Automobile				
Equipment and machinery				
Inventory				
Records				
Robbery and burglary				
Other				
<b>Total Premium</b>				
<b>Terms</b>				
<b>OTHER</b>				
Income continuation				
Life insurance/Key person				
Technology – hacking protection				
<b>Total Premium</b>				



## WORKSHEET – OPERATIONS PLANNING CHECKLIST

Description	To Do or N/A	Done	Comments
<b>GET READY!</b>			
Select Form of Business			
File Certificate of Assumed Name			
Apply for State Tax Identification Number			
Apply for Federal Tax Identification Number			
Apply for Sales and Use Tax Permit			
Determine tax filing requirements for business			
Determine tax filing requirements as employer			
Determine tax filing requirements for Self-Employment Tax			
Determine collection of and tax filing requirements for Sales and Use Taxes			
Obtain appropriate licenses and permits			
Comply with zoning restrictions and requirements			
Research and understand pollution control and waste disposal restrictions			
Identify employer responsibilities			
Obtain Workers' Compensation for employees			
Obtain appropriate insurance coverage for business			
Obtain appropriate bonds			
<b>GET SET!</b>			
Select attorney/accountant			
Set up record keeping system			
Open business checking account			
Develop goals, functions, policies and procedures for business			
Identify product sources, select vendors			
Set up Facebook page			
Develop customer service plan and train all staff on how to interact with customers			
Design and publish your website			
<b>GO!</b>			



Description	To Do or N/A	Done	Comments
Conduct a business dress rehearsal and respond to feedback from “customers”			
Develop promotional plan for startup- Plan your email campaigns			
Design “grand opening” or “announcement”			
Prepare press releases			

## What Next?

Take a few minutes to figure out what your next steps might be. This course has covered a lot of information and now your question is, “How do I get started?” Take a few minutes to divide your business plan into manageable pieces. The following questions were developed to help you get going. Remember, “You can do it, we can help.” Fill out the following page as if it were your work plan. Let’s get started...

Reference these pages as you think of topics and items that need to be completed or researched to build your business plan:

### MARKETING:

Create Your Marketing Plan pgs. 144-145

### CASH FLOW PROJECTIONS:

Blank Cash Flow Projection pg. 207

### OPERATIONS

Planning Checklist pgs. 259-260

Remember, when your narrative (story) and cash flow projections are complete, and after you run your own “due diligence,” you are at the point in the process where you say, “Yes, this is my dream, I want to go forward and start/expand this business.” If you can’t say “yes,” go back to more research and modify your plan until you can.

**You can DO IT!**

## WORKSHEET - WORK PLAN OUTLINE

Date:	Name:
	Phone:
What is your target date for completing your business plan?	
What date would you like to start/expand your business?	
Will your business have to meet zoning or permit requirements?	
From the Operations Planning section, what are the top five items you need to check on?	
1.	
2.	
3.	
4.	
5.	
Which of the following areas of marketing do you need to research, and how?	
1.	Customer habits, demographics, wants, and needs:
2.	Competition. How many, where, evaluation, strengths, and weaknesses:
3.	List your product's features and benefits:
4.	What kinds of promotions will you need to consider? Do you have a website? Social Media
5.	Pricing is an art and a science. Do you need to know more to price your product/service?
Use the worksheet on pages 173 and 174 to help you identify any start-up costs you need more details about:	
1.	5.
2.	6.
3.	7.
4.	8.
Some of you may have done an exercise at the start of class, an executive summary. Let's go back and review it. Description of the business:	

## HELPFUL WEBSITE ADDRESSES

Agency	Web Address	Description
Annual Credit Report	<a href="http://www.annualcreditreport.com">www.annualcreditreport.com</a>	Obtain a free copy of your credit report from any or all of the three major credit reporting agencies.
Bizrate.com	<a href="http://www.bizrate.com">www.bizrate.com</a>	Comprehensive list of product and pricing information on vendors.
Business Owner's Toolkit	<a href="http://www.toolkit.cch.com">www.toolkit.cch.com</a>	Provides useful information, tips, and resources for small business owners.
Business.gov	<a href="http://www.business.gov">www.business.gov</a>	Federal, State, and Local laws relevant to small businesses.
City-Data	<a href="http://www.city-data.com">www.city-data.com</a>	Profiles, photos, maps, statistics, and data about thousands of cities across the U.S.
E-Library	<a href="http://www.elibrary.com">www.elibrary.com</a>	Contains articles from newspapers, magazines, encyclopedias, and almanacs; dictionary and thesaurus entries; photo and map archives; books.
Entrepreneur.com	<a href="http://www.entrepreneur.com">www.entrepreneur.com</a>	Information, tips, and news about starting and growing business and business opportunities.
Federal Business Opportunities	<a href="http://www.fedbizopps.gov">www.fedbizopps.gov</a>	A portal through which commercial vendors seeking Federal markets for their products and services can search, monitor and retrieve opportunities solicited by the entire Federal contracting community.
Federal Express	<a href="http://www.fedex.com">www.fedex.com</a>	Website for Federal Express. Includes shipping zone and rate charts and online shipping.
Federal Trade Commission	<a href="http://www.ftc.gov">www.ftc.gov</a>	The Federal Trade Commission administers many laws pertaining to commerce and consumer relations that business owners must be aware of and abide by.
Inc. magazine	<a href="http://www.inc.com">www.inc.com</a>	Information from the magazine Inc.
Internal Revenue Service	<a href="http://www.irs.gov">www.irs.gov</a>	Federal tax information and news, downloadable forms and publications. Includes a small business section with information on federal unemployment taxes, social security taxes, etc.



Agency	Web Address	Description
Internet Public Library	<a href="http://www.ipl.org">www.ipl.org</a>	Contains information that you would find in any public library.
James J. Hill Reference Library	<a href="http://www.jjhill.org">www.jjhill.org</a>	The James J. Hill Library in Saint Paul, MN houses a world-class collection of practical business information resources and is considered one of the most comprehensive business libraries in the country.
Microsoft Small Business	<a href="http://www.microsoft.com/smallbusiness">www.microsoft.com/smallbusiness</a>	Sales and marketing information for small businesses.
Morebusiness.com	<a href="http://www.morebusiness.com">www.morebusiness.com</a>	Informational website for small businesses.
Mysimon.com	<a href="http://www.mysimon.com">www.mysimon.com</a>	Comprehensive list of product and pricing information on vendors.
Occupational Safety and Health Administration	<a href="http://www.osha.gov">www.osha.gov</a>	Information on safety and health standards in the workplace.
Online Women's Business Center	<a href="http://www.sba.gov/category/navigation-structure/counseling-training/online-small-business-training">http://www.sba.gov/category/navigation-structure/counseling-training/online-small-business-training</a>	Website for the Small Business Association's Office of Women's Business Ownership, which promotes the growth of women-owned businesses through programs that address business training and technical assistance, and provide access to credit and capital, federal contracts, and international trade opportunities.
Pricescan.com	<a href="http://www.pricescan.com">www.pricescan.com</a>	Comprehensive list of product and pricing information on vendors.
Sales and Marketing Executives -International	<a href="http://www.smei.org">www.smei.org</a>	Worldwide association of sales and marketing. The primary forum in which the world's top sales and marketing managers meet.
Small Business Association	<a href="http://www.sba.gov">www.sba.gov</a>	Website of US Small Business Administration with many small business resources.
U.S Online Government Bookstore	<a href="http://bookstore.gpo.gov/">http://bookstore.gpo.gov/</a>	List of publications from the government printing office.
United Parcel Service	<a href="http://www.ups.com">www.ups.com</a>	Website for the United Parcel Service. Includes shipping zone and rate charts and online shipping.
United States Postal Service	<a href="http://www.usps.com">www.usps.com</a>	Website for the US Postal Service. Includes online shipping, postal service regulations, and rates.

<b>Agency</b>	<b>Web Address</b>	<b>Description</b>
US Citizenship and Immigration Services	<a href="http://www.uscis.gov">www.uscis.gov</a>	Includes important information for employers about employment eligibility and hiring practices among immigrant populations.
	<a href="http://www.commerce.gov">www.commerce.gov</a>	Information from and about the US Department of Commerce.
US Department of Commerce – Economic Development Administration	<a href="http://www.eda.gov">www.eda.gov</a> US Department of Commerce	Information from and about the US Department of Commerce Economic Development Administration.
US Department of Labor	<a href="http://www.dol.gov">www.dol.gov</a>	US Dept. of Labor website, contains employment posters, Family Medical Leave Act information, rules for breaks and overtime pay, etc. Also contains the Bureau of Labor Statistics with statistical information including the consumer price index and other useful information.
US Equal Employment Opportunity Commission	<a href="http://www.eeoc.gov">www.eeoc.gov</a>	Website of the US Equal Employment Opportunity Commission, contains information on Americans with Disabilities Act, a compliance manual for discrimination, etc.
US Government Export Portal	<a href="http://www.export.gov">www.export.gov</a>	Information on exporting, export sales, financing exports, solving trade problems, foreign markets vs. U.S. markets, and finding a partner in the U.S.
US International Trade Administration	<a href="http://www.trade.gov">www.trade.gov</a>	Information on markets and products, access to international markets, and competition from dumped and subsidized imports.
US Patent and Trademark Office	<a href="http://www.uspto.gov">www.uspto.gov</a>	Information on applying for and obtaining patents, trademarks, service marks, and copyrights.
Wall Street Journal	<a href="http://www.startupjournal.com">www.startupjournal.com</a> <a href="http://www.wsj.com">www.wsj.com</a>	Small business website hosted by the Wall Street Journal – includes information and articles on businesses for sale, franchise opportunities, creating a business plan, trademark search, e-mail alerts, advice from columnists, how-to advice, ideas, franchising, financing, technology, and running a business.