

Tips for Writing a Business Plan

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There are many things to consider when starting a new business.

- What type of entity should I form and what are the benefits?
- How much money will I need and where will it come from?
- Should I lease or buy my equipment?

All these questions can be answered with proper business planning. Preparing a business plan will force you to answer these and many other questions, and it will serve as a road map to help you better manage your business once you're operating. It will also allow you to accurately present your idea to others, including lenders and investors.

A business plan includes the following components:

- Executive Summary
- Description of the Business
- Management Summary
- Marketing Plan
- Competition Analysis
- Description of the Products/Services
- Operational Plan
- Financial Projections (3 years, 1st year month by month)
 - Startup Costs
 - Income Statement
 - Balance Sheet
 - Cash Flow
 - Breakeven Analysis.
 - Assumptions

When writing a business plan, consider the following:

■ The most important part of the planning process is determining how much money, or capital, you will need to start your business and to keep it running until you begin to make a profit. Most businesses fail because they underestimate how much money they will need, which is the result of poor planning. Many business owners also don't understand cash flow and what effect it has on a business.

■ Writing a business plan can be very time consuming and frustrating, but, in the end, you will be glad you did it. Don't be afraid to ask for help. In the Green Bay Area the Business Assistance Center on the NWTC campus has many services that are free, including SCORE, which is sponsored by the Small Business Administration, the Wisconsin Entrepreneurs Network, SBDC, and others. The Urban Hope program is also available for those that would like to take a class on business planning.

■ If you are frustrated, or want to speed up the process and get help on your business financing, you may prefer to have a professional help in preparing your plan. Business plan consultants have done many plans and they know what to include for your type of business. They also provide an objective and independent look at the business you are considering and will ask questions you may not have thought of on your own. Spending some money in the beginning

with professional advisor could save you a lot of money later and possibly make the difference between your business's success and failure.

■ Even if you hire a consultant, it is still your business and your plan. You must do your homework and know such things as the market, your competition, and all of the things that are relevant to making your business successful.

■ You will want to include other professional advisors such as a qualified accountant, business attorney, and insurance agent. These advisors will help you select the proper type of organization for your business, get it set up properly, and help you protect your assets. If you utilize their expertise, they will help monitor your business to help it become successful. These professional advisors are there to help with the things the business owner is not able or wanting to do.

■ In some cases there are state grants available through the Wisconsin Department of Commerce and the Wisconsin Entrepreneurs' Network that will help pay for some of the cost of hiring a business consultant to assist you in preparing a solid business plan. If eligible, the grant will help pay for up to 75% of the cost of preparing your business plan. Careful business planning and assistance from professional advisors can help you get your business off to a quick start and will give you the best chance to succeed.