Business Planning

Prepared by Dr. Mroz
Post University
Traditional Business Plan

• **Executive Summary** (two pages or less)
• **General Company Description** (what business are you in?)
• **Products and Services** (describe products, services, fees, pricing)
• **Marketing Plan** (Market Research, Economics, features, benefits, Cust., Competitive Analysis, Niche, Strategy, Sales forecast, etc.)
• **Operational Plan** (Production/Service(s), Location, Legalities, Personnel, Inventory, Suppliers, Credit Policies). What we do and how we do it.
• **Management and Organization** (Who will manage, experience, position descriptions, Professional & Advisory Support)
• **Expenses and Capitalization** (Expense estimates/forecasts, etc.)
• **Financial Plan** (P&L projection - 1yr/4yr., proj. cash flow, balance sheet, etc.)
• **Appendices** (brochures, industry studies, equip. lists, assets, etc.)
• **Refining the Plan** (modified for specific business & audience)
Executive Summary

✓ The Executive Summary is a compilation of the key points of the entire plan.
✓ Be sure to place the most important elements in the Exec. Summary
What business will you be in? What will you do?

Vision Statement?

Mission Statement?

Organizational Goals?

Business Philosophy?

To whom will you market your services?

Describe your industry. Growth industry?

Changes you foresee in the Industry, short term, long-term? How will the org. take advantage of this?
Describe organizational strengths and core competencies.
What factors will make the company succeed?
What do you think the major competitive strengths will be?
Technical Specs

What factors give you a competitive advantage?

Have you integrated the Voice of the Customer?

Have you looked at emerging trends?

R&D?

Acquisition Integration

Integration of Customer skills and expertise

What is unique about what you do?

Why will your customers want to come to you?
Marketing Plan

- Any market research? (Customer & Stakeholder input)
- Competitor Analysis (why will your customers use you?)
- People strategy
- Stats, numbers & sources
- Projections?
- Marketing Approach?
- Sales Forecasts?
- Relationship Building
- Communication Plan
- Who will you need to market to? (Internal, Customers, Etc.)
- Barriers into or expanding the market? How will you overcome them?
- How will the following affect your organization: change in technology, government regs, economy, industry changes?
- Promotional Budgets?
Operational Plan

- Orchestration of Prod. & Services (How it all works?)
- Inventory - value of stock on hand
- Supplier information
- Information Systems
- Headcount Costs & Personnel (i.e., Quality of staff, pay structure, how to find the right employees, job descriptions, etc.)
- Metrics & Reporting
- Physical Space Requirements - space, travel, access, etc.
- Cost estimates

- Explain your methods of:
  - Customer Service
  - Inventory control (if applicable)
  - Quality Control
Management & Team Strategy

- Innovation strategy, methods, and application (culture)
- Team Structure
- People and skills
- Organizational Chart/Management Hierarchy
- Position descriptions of key employees
- List any advisory support or key stakeholders
• ROI
• Explain Major Assumptions and/or Scenarios
• Operating Expenses - cash outlays
• Budgets (12 month P&L projections)
• Budgets (3 to 5 year Profit projections - Optional)
• Projected Cash Flow
• Cycle Time - Projects (How managed)
• Any irregular expenses?
• Maintenance expenses, repairs, etc.?
• Break-Even analysis
• Customer Satisfaction (how will this be measured?)
Appendices

- Brochures & Advertising materials
- Industry studies
- Magazines or other articles
- Detailed list of equipment owned or to be purchased
- Copies of any leases, contracts, etc.
- Letters of support from future customers
- Any other material to support the assumptions within the plan
- Market research studies
- Customer feedback analysis
- Lists of assets
1. Did we stretch ourselves and our organization enough in this plan?
2. Did we adequately research Market Trends and Opportunities for the BP, any Benchmarking?
3. Have we addressed Core Competencies? Will they need to change?
4. Are we incorporating and acting Innovative enough to meet the needs of the organization?
5. Will this plan take us where we truly believe the organization needs to be? Is the plan sound?
6. Have we adequately incorporated our Customer information? Stakeholder input?
7. Does the BP flow well?
8. Have we adequately addressed the difficult issues concerning Business today? Have we identified the potential Barriers to implementing this plan?
9. Did we build the Business Case for Success?
What are the key competitive factors in the industry?
Your pricing?
Methods used to set prices?
System of Production/Services Management
Quality control procedures. Standard or accepted industry quality standards.
How will you measure productivity?
Strategy for keeping/expanding client base?
Refining the Plan

- Economic Outlook for the industry?
- Organizational Image?
- Will you be on the cutting edge with your products & services?
- What is the status of research & development? And, what is required to:
  - Bring new products/services to market?
  - Keep the company competitive?
- How will the organization:
  - Protect Intellectual Property?
  - Avoid technological obsolescence?
  - Supply necessary capital?
  - Retain key personnel?