

Guidance for those who are reading The Entrepreneurial Mindset or going through the training.

NAME of the BUSINESS

Location

Strategic Business Plan

Date

Beginning note: Remember to incorporate all the elements of your Strategic Plan - political, economic, psychological and market forces - in the appropriate areas, and use these topic headings in BLUE

PURPOSE This is one brief sentence that indicates the Purpose of this document (not the purpose of the business). Example: This document introduces *company name* and describes why the business exists, the customer base it serves, the products and services offered, what we intend to accomplish, an overview of the key operating processes, along with budget projections for the first 2 years of operations.

If you are presenting to a funding source, add the following as a second sentence:

“With this document, our intent is to raise \$x for (define the usage; example: working capital, marketing and inventory). A Budget, Profit & Loss and Projected Cash Flow are included, as well as a Sources and Uses of Funds disclosure and an Exit Plan.”

SCOPE: This too, is one brief sentence that defines the Scope of the Business Plan. Ex: “This document will define the scope and intent of *company name*, its products & services, target audience, strategic focus, operating plans and key personnel.”

OBJECTIVES: In this section, bulletize a high-level overview of 5 to 8 critical actions that will be accomplished in the next fiscal year and enable the success of the business. Ask yourself, what is it you want to accomplish with this business? State a goal, define its objective, and project a date for implementation and/or completion Begin each statement with an action verb!

Ex:

- | | |
|--|------------------|
| ➤ Acquire ... add an overview of what will be done | ECD: February 20 |
| ➤ Consolidate ... | ECD: April 3 |
| ➤ Research ... | ECD: May 15 |
| ➤ Develop ... | ECD: June 30 |
| ➤ Process ... | ECD: July 17 |
| ➤ Perform ... | ECD: Sep 1 |
| ➤ Achieve ... | ECD: Nov 9 |
| ➤ Test ... | ECD: Dec 6 |

MISSION: Center your excellent mission statement (as prescribed in the book) on the page, *bold and italicized*. Just the Mission Statement, nothing else!

VISION: Center your excellent vision statement (as prescribed in the book) on the page, *bold and italicized*. Just the Vision Statement, nothing else! Conclude page 2 with the Vision Statement.

INTRODUCTION In this section, introduce your business. Start with **WHY** and maintain a pervasive focus on customers throughout the first paragraph. Thereafter, explain further aspects or characteristics of the business, including the legal description, management team, strategic alliances (if they exist) and a brief mention of products and services. In this section, you must identify what makes you unique, but **do not** provide every detail known to man! Be thorough and comprehensive, but brief, simple and elegant.

PRODUCTS & SERVICES Define and describe each product and/or service you offer. If it's not obvious, describe which of your target audiences would buy each product and why. You may elaborate a tiny bit, but don't write *War and Peace*!

UNIQUE BUSINESS IDENTITY Refer to the book for how to construct this section. Describe your unique business identity, why it's unique and what you intend to accomplish by utilizing this method to attract the attention of your ideal clients. Keep it simple and elegant.

UNIQUE SALES PROPOSITION Refer to the book for how to construct this section. Describe your unique sales proposition (USP), why it's unique and what you intend to accomplish by utilizing this methodology. Keep it simple and elegant and reference the key factors inside your marketing plan (below).

IDEAL CLIENTELE Hopefully you've defined your ideal client thoroughly and specifically. Hopefully you've conducted some Voice of the Customer sessions to prove your assumptions in this area. You might actually use some data from Voice of the Customer in this section. Or it might be interesting to describe your Avatar (one ideal customer) if later research proved your theory and indicates a large audience of people are hungry for your goods. Use whatever process you feel is best, be certain to make your point about their uniqueness and your certainty but keep it simple and elegant.

MARKETING PLAN On the heels of your ideal client and USP (above), describe how you will leverage each of those factors to reach your target market. Describe how your competitive analysis shaped the plans you're putting in place and how the salient points of your SWOT analysis helped to define your marketing approach. Explain your distribution process or distribution channels, and your advertising and promotional activities. Advertising and promotions will also benefit from a schedule of activities as well as a statement of scope (the extent to which each campaign will be carried out).

OPERATING PLAN Define how you will operate the business on a day-to-day basis. Explain the development of your team and support staff, their responsibilities and any outside resources. Embedding the operational workflows (below) will enhance this section tremendously.

OPERATIONAL WORKFLOW This is an optional section, but it will be very important if your operating methods are complex and need to be thoroughly understood. It might also be necessary in order to illustrate your understanding of how the business will operate to a funding source. If you elect to include this, have two versions available. The one that gets published here will be (you guessed it) "simple and elegant"—demonstrating **only** the major departments and actions involved in the workflow. The second version will be **very detailed** with every action and activity defined fully. It would be a very rare circumstance where a funding agent would have any interest in the second version *unless* they have expertise in your field. Typically, the second version is for making certain you've covered all bases during the budget process, strategic planning and employee training. The second version—if used—would be an appendix to the main plan.

SALES FORECAST This section reveals first and second year sales projections in the opening sentence and asks the reader to refer to the budget details in the next section of the plan. Then open a second paragraph and describe **how** you went about defining the revenue line(s) in your budget. Where did the numbers come from? Why do you have confidence in them? What actions will be taken if the forecast begins to show signs of being off by a significant amount? How will you measure regular progress on the plan? What contingencies exist ... or what contingencies were applied to your plan?

Be thorough in this section and be very conservative with your numbers! This is where most businesses fail. While underestimating the cost of doing business, they overestimate the revenue that will be realized. **Note:** If you're taking this plan to a funding source, describe (in this section) why you feel your numbers are conservative.

BUDGET AND PROJECTED CASH FLOW Use the templates for Zero-Based Budgeting. Include the Hierarchy and the Budget Template that shows cash flow over a two-year period. If necessary for the funding version, have your individual Initiatives printed out and available to discuss.

SIMPLE PROFIT AND LOSS (P&L) STATEMENT See the template. **NOTE:** If you're using this plan to raise capital, put this one-page document in your plan, right behind the section titled Unique Sales Proposition, and follow that with the Budget and Projected Cash Flow.

SOURCES AND USES OF FUNDS This section is necessary only if you're using your plan to raise capital. Here you are disclosing **all areas** where cash is coming from (savings, CDs, 401ks, home equity, family, other loans, the tin can under the back porch). Highlight the amount of cash you're looking for from the funding agent(s). (Those are the "Sources"). They will want you to sign a document that puts them in first or second position to reclaim assets in the case of a default; thus, they need to know where all the money came from.

They also want you to document where the money will be used (the "Uses"). Lease payments, building improvements, employee salaries, marketing expense, operating capital ... whatever. This is another protection for them. If you use the money to go on vacation or buy your wife a Mercedes SL, you have defrauded the investors, and if so, I hope you look really good in stripes!

EXIT STRATEGY This is also a section that is necessary only if you're using this plan to raise capital. Here you are defining the circumstances and timeframe in which you intend to repay the loan so that the lender can "exit." Angel investors in particular, love to see that you have thought this process through and can present them with a cogent plan defining when they'll have their money back (and can go find a new investment). One other potential use is when you've brought in a partner to help start the business, with a plan for them to exit once they have contributed their skills and cash in a defined way. However, in that circumstance, you should also have a legal agreement between the parties that defines these same plans.

KEY PERSONNEL In this section introduce all the key players in your organization. Again, this is primarily used when going to look for funds, or for trying to convince someone to join your organization. You want to define every interesting aspect of the individuals you highlight, including experience, education, personal interests, and why they will be beneficial to your company. If you have none of these people defined at the outset, simply introduce yourself, with all these details, including why you have a passion for this particular business. Then if needed, you can add "roles" that you will be bringing on board soon, and what attributes you'll be looking for in the people you hire or with whom you elect to contract.

ASSUMPTIONS Throughout your planning, you have made a mountain of assumptions. I hope you realize that! In this section, you want to capture the details of each assumption that has any potential

impact on the operations and success of the business. This will be necessary for a funding source, but it is even more useful for you. Every three to six months, go back to this section of your business plan and review these assumptions. You'll find that many are still viable, but many have changed. When your assumptions are no longer valid, you need to adjust. Whether that adjustment is a plan, an action, a method, a person or a strategy, if you're "in the know," you can alter your course wisely and keep the business strong. FYI, the assumptions you should pay the most attention to are 1) those used to build your revenue projections and other budget details, and 2) your assumptions about the market.

SUMMARY This is a great place to wrap up all of your enthusiasm and positive energy, recapping WHY you're in this business, what you plan to accomplish, the people you'll thrill along the way, and how this business will make a notable, positive impact on your industry and your community. End on a high note!