



BUSINESS PLAN

Description of Business

Name of Business: _____

Name of Owners/ _____

Entrepreneurs: _____

Product/Service: _____

Description: For Goods/Products include: color, physical description, brand, sizes, your company logo, and product supplier; For Services: include what service, when done, by whom, and for whom?

Mission Statement (purpose or goal of Business):

Business Location: _____

Hours of Operation (opening date, hours, and days my business will operate): _____

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DESCRIPTION OF THE MARKET/CUSTOMER

Your target market is customers who are most likely going to buy from you. Describe them in as much detail as possible, based on your knowledge of your product or service.

My target market is:

Age range: _____ **Gender:** _____

Shopping Habits:

Hobbies of customers:

Why would they purchase my produce/service:

Other characteristics of my target market: (geography, occupation, income, life stage-student, marriage, parent, etc.):

Size (approximate number of people in my target market): _____

My competition is:

In the box below list other companies who provide similar products/services;

Company Name	Good /Service	Price Range

Explain why your goods and services are different/better than your competitors.

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DESCRIPTION OF MARKETING PLAN

How do you appeal to your market?

Once you have your target market identified and you understand the characteristics of your potential customers, the next step is convincing your customers that they really have to use your product or service. There are several categories of marketing appeals that can help you make the sale.

- **Fun/pleasure:** gives you excitement and enjoyment; brings your family together, helps you make friends
- **Status:** everyone is getting one; important people use it regularly; improves your performance
- **Attractiveness:** makes you look nice and/or feel good: look more mature (or younger)
- **Price/high or low:** more for your money; you deserve the very best
- **Quality:** best product on the market; unlimited warranty.
- **Bandwagon:** Everyone is getting one
- **Health:** Use of product with improve health
- **Comparison:** Shows one product is better than another
- **Security:** use of product/service will make you feel safe
- **Testimonial:** Someone explains how effective he/she feels a product is

List the benefits of your product or service? **WIIFM: WHAT'S IN IT FOR ME? (CUSTOMER)**

1. _____
2. _____
3. _____
4. _____

How do you let people know about your product/service? Here are just a few ideas.

- **Speak at community events.** Free and easy way to get the word out about your business. Consider writing a press release about the event including information about your business.
- **Ask customers for referrals.** If your customers are happy with the product or service ask if them if they know of other who may benefit. Make sure to give your customers **business cards** they can share.
- **Offer free samples.** If you can get someone to try your product or service, chances are they'll buy it later.
- **Internet:** Design a website to describe, advertise, and display the unique features of your product and service. Use social media such as Facebook, LinkedIn, google+, etc. and let your friends know you started a business.
- **Signs, posters, flyers, brochures, business cards, press releases, mass media** (newspaper ads, radio and television spots). These are a few common ways of promoting your business
- **Remember KISS AIDA in your advertising. KISS:** Keep it simple Smarty. **AIDA:** Get the reader's ATTENTION, build INTEREST from opening statement, create DESIRE in the main part of message, propel the buyer to ACTION.

What marketing strategies will you use to promote your product or service?

1. _____
2. _____
3. _____
4. _____

BUSINESS PLAN SALES AND DISTRIBUTION

What is your sales plan? Sales plan should include goals, strategies, target market/accounts, and timeline to stay on track and show progress.

- Describe your **sales goals**. How much do you want to sell? Be specific and measurable.
- Describe your **sales activities/tactics**. How do you plan on making the sale? What supplies equipment/resources do you need (receipt books, clipboards, computer, etc)?
- Who do you plan on selling to? How are you going to reach them? Where are you going to sell?
- What is the timeframe for achieving your plans? Timelines can be fluid. If you are underachieving, describe corrective actions to take.

What is your customer service plan? Customer service =customer satisfaction

- Plan for maintaining and building customer relations, dealing with problems, handling refunds, and customer follow up

What is your distribution plan? Decide how and where you want to distribute your products.

- How will products be distributed/services be provided? Will the customer go to a store, a website, a marketplace to buy it? Will you bring the product/service to them through mail, in person delivery, and/or on-line.

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PRODUCT PRICING

How much is your product or service worth? Many new business owners either underprice or overprice their product or service. You need to determine how much it costs you in materials to make, sell, and deliver your product/service. You will also want to check out how much other businesses are charging for their products that are similar or the same as yours. Your final price needs to cover what it costs you, plus a markup that gives you a reasonable profit, and stills provides you customers the feeling they are getting a good deal.

The first goal you have to reach as a start-up business owner is the **break-even point**, where your income from sales or service pays for the expenses of producing the product or providing the service. Before you can determine your break-even point, you have to determine the cost of goods per unit. Use the charts below to determine the 1) selling price for a product 2) Selling price for a service.

Ingredients (for one unit)	My Costs
FIXED EXPENSE: Cost remains the same, whether you sell one or 1000 items	
Equipment (purchase or rental)	
Fees	
Other:	
VARIABLE COSTS: Cost fluctuates depending on how much product is being produced	
Raw materials	
Advertising/Marketing	
Shipping	
Packaging	
Labor	
Other:	
Other:	
Total Production Cost: Add Fixed and Variable Costs	\$
	My Selling Price
1) Selling price=total production cost of goods x 2	
2)Total Production Cost divided by _____ quantity of units produced=_____ cost per unit multiplied by _____ desired percent profit (10%=.10) equals _____ sale price per unit	
Selling Price for a Service	
Your hourly rate X Time it takes to do the job + Cost for equipment, supplies and travel=Selling Price	

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FINANCIAL/BUDGET

A **budget** is plan for allocating resources: a plan specifying how resources, especially time or money, will be allocated or spent during a particular period. To create a budget, you must estimate your **projected income and expenses**. A **budget** is important because it forces you to carefully consider how you will earn enough income to cover your expense and make a **profit**. A budget is more useful if you itemize (put income and expense in specific categories).

Income/Revenue: Money coming into the business.

Starting Funds:	\$
Projected Sales of	\$
Projected Sales of	\$
Projected Sales of	\$
Other (Describe):	\$
Other (Describe);	\$
Total Income: Add all projected income together	\$

Projected Expenses: Money going out of the business

Raw materials	\$
Equipment and Tools	\$
Advertising/Marketing	\$
Office Supplies	\$
Packaging	\$
Location Preparation/Facility Fees/Rent	\$
Employee Wages/Salaries	\$
Other:	\$
Other:	\$
Other :	\$
Total Expenses: Add all projected expenses together	\$

Total Income-Total Expenses= Profit _____ - _____ = _____

Other Financial Considerations

1. What amount of money will you need to start your business? Will you borrow money for start-up costs?
2. What will be your sources of funding? Have you researched several lending institutions?
3. Describe how the profits will be distributed and/or used. For example, will it be distributed by number of items sold? By the amount of time worked in the business? Will it be divided evenly by all business owners or by the amount of stock held by stockholders? Will money be reinvested into the company?