

Business Plan - Step-by-step Instructions for Creating

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You're ready to create your business plan... or are you? Here are the basics you need to have in place.

Step 1. Define Your Business

You have a good idea of what you want your business to do. You've done preliminary research and identified your target market. You know what type of business model you want; whether it's retail or trade, service-based or product based. So how would you explain your business, if asked to do so?

Many people find themselves hemming and hawing at this point. You know what it's all about, but it's a little hard to sum up.

If this sounds like you, you're not ready to sit down and put your plan together. You need to define your business model the way a diamond cutter perfects a diamond.

Ask yourself the following questions:

- What does my business do?
- How does it do it?
- Who does it serve?
- What "gap" does it fill?
- What is unique and special about my business?
- What is my business' strongest advantage for its clients or customers?

It may be a trifle outmoded, but after you've done this, think "elevator speech". Imagine stepping into an elevator and bumping into someone who asks you what your business is all about.

What would you answer, in three lines or less? How would you strip away all irrelevant detail?

How would you summarize your business?

Step 2. Write your Mission Statement

One of the best ways to create your elevator speech lies in writing out a mission statement for your business.

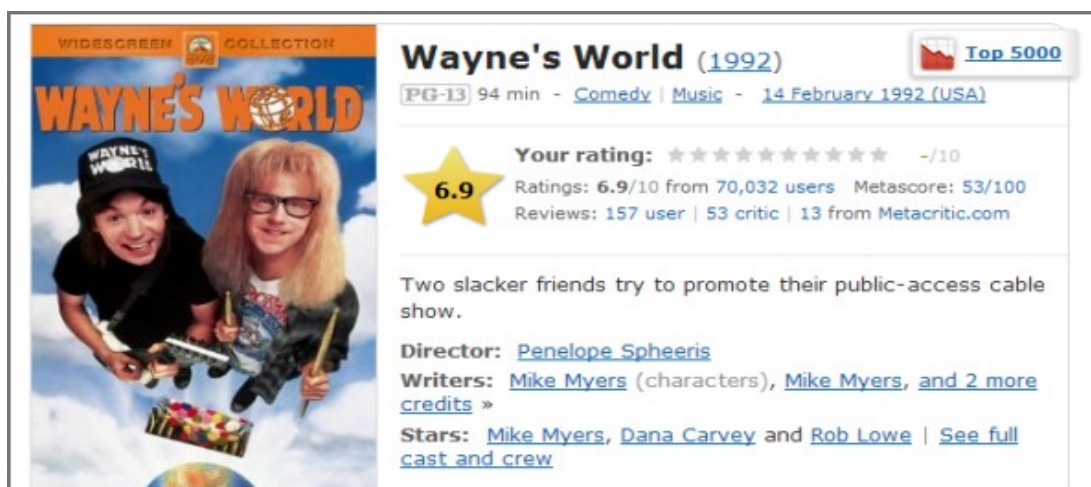
This doesn't just explain what it sells or what it does: It encapsulates your company's core values, beliefs, ethics, goals and purpose.

The best way start writing: Look at examples of other company mission statements.

These can be as short as a simple sentence, tag line or slogan... or comprise more than one paragraph: However, mission statements should try to get to the heart of your business as clearly and directly as possible.

Let's take a quick look at a sampling of effective Fortune 500 company mission statements:

- “To make the world's information universally accessible and useful” – *Google*
- “To be America's best run, most profitable automotive retailer” – *AutoNation, Fort Lauderdale, FLA*
- “To discover, develop and deliver innovative medicines that help patients prevail over serious diseases” – *Bristol-Myers Squibb Company, New York, NY*
- “Create value for shareholders through the energy business” – *Kerr-McGee Corporation, Oklahoma City, OK*
- “Mattel makes a difference in the global community by effectively serving children in need . Partnering with charitable organizations dedicated to directly serving children, Mattel creates joy through the Mattel Children's Foundation, product donations, grant making and the work of employee volunteers. We also enrich the lives of Mattel employees by identifying diverse volunteer opportunities and supporting their personal contributions through the matching gifts program.”
- “To bring inspiration and innovation to every athlete in the world” – *Nike Inc., Beaverton, OR*
- “Our business is pharmaceutical care. Our mission is positive outcomes” – *OmniCare, Covington, KY*
- “We fear change.” – *Wayne Campbell, Wayne's World, movie; 1992*



Wayne's World (1992) Top 5000

PG-13 94 min - Comedy | Music - 14 February 1992 (USA)

Your rating: ★★★★★★ -/10
Ratings: 6.9/10 from 70,032 users Metascore: 53/100
Reviews: 157 user | 53 critic | 13 from Metacritic.com

Two slacker friends try to promote their public-access cable show.

Director: [Penelope Spheeris](#)

Writers: [Mike Myers](#) (characters), [Mike Myers](#), and [2 more credits](#) »

Stars: [Mike Myers](#), [Dana Carvey](#) and [Rob Lowe](#) | [See full cast and crew](#)

When writing your company mission statement, follow these tips:

1. **Be as clear and direct as possible**
2. **Avoid clichés and overused phrases** like “culture of diversity” or “with particular emphasis on”
3. **Cut out adjectives and adverbs**, which weaken your prose. If a sentence doesn’t work without adjectives and adverbs, split it into shorter sentences and rewrite completely
4. **Cut out unnecessary words**. This includes filler phrases such as “Be that as it may” and “unlikely though it may be”.
5. **Show how your company benefits the community**, shareholders and/or the world

You may find yourself amazed at how much writing a strong mission statement clarifies your company vision. (Keep it short enough, and it can double as your slogan or tag line – and help brand your business – just as DeBeers did with its famous slogan, below.)



Step 3. Decide Which Type of Plan You Need

Who is it for? What effect does it have to have on them? Do you need to provide projections for a Feasibility study? Are you attempting to show how financing would bring a successful return to a bank or investor?

Decide which of the following plan types will best serve your purpose at this time...

- **Start-up Plan** – For your own clarification; or for presenting to potential investors or backers
- **Feasibility Study** – As above; plus more in-depth market analysis and projected costs and expenses
- **Strategic Plan** – Strictly internal; all about actions that need to be taken. May be included in a company manual
- **Operations Plan** – Annual road map containing implementation dates, deadlines and responsibility allocation
- **Internal Plan** – Overview or snapshot, to be included in the company manual
- **Expansion Plan** – Similar to a Feasibility Study. Detailed report aimed at investors, banks and backers. Includes profits and losses, projected growth and expenses, opportunities and steps for expansion

Step 4. Assembling Your Data

Make sure you have all the data and research you need completed and at hand. This can include:

- Survey results, scans and screenshots
- Industry statistics
- Statistics from any split-testing you may have done
- Market research results
- Sales figures
- A balance sheet
- Other financial data
- Your mission statement, slogan and/or tagline
- Graphic file containing your company logo, in .JPG or .PNG format
- Headshot .JPG or .PNG
- Any other relevant photographs in .JPG or .PNG file, including a snapshot of your premises; headshots for any key personnel or staff members

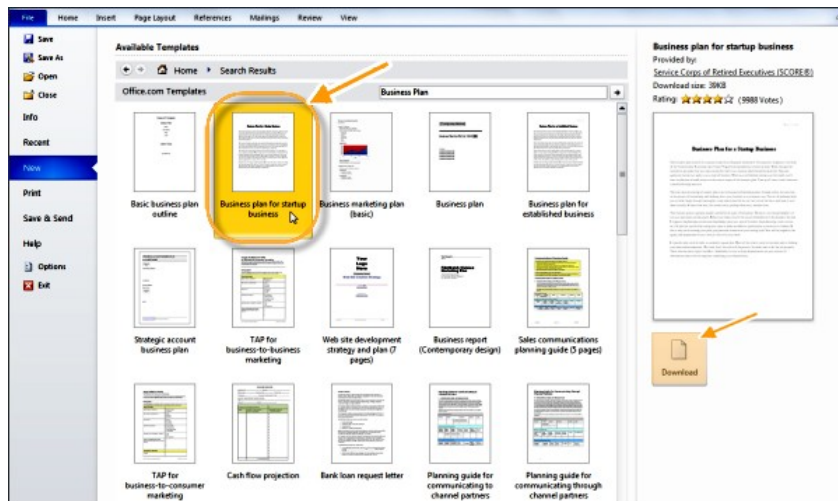
Step 5. Use a Template

If you've never created a Business Plan before, your best bet is to use a template. You can either obtain a sample of an existing plan (online or from your bookkeeper or a friend with a successful business) and model your own on that one or you can download an actual blank 5emplate (recommended).

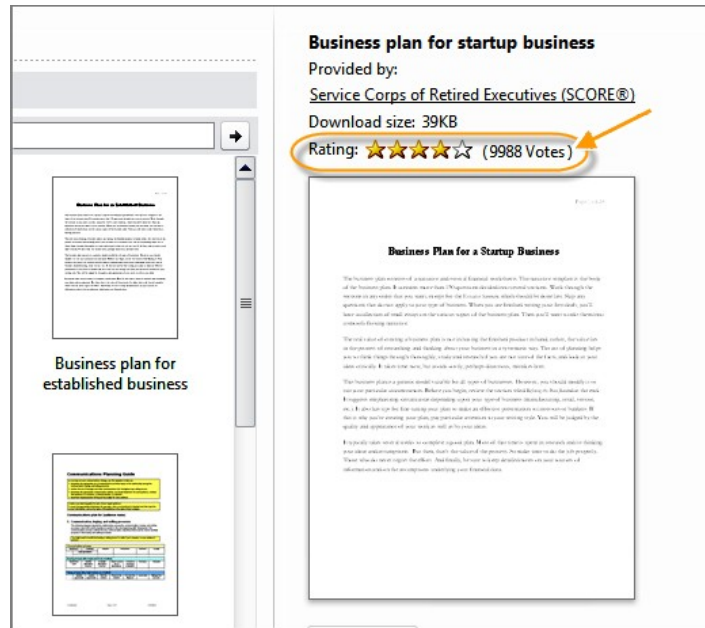
If you want a free template, you can easily use MS Word to help you search Office.com for likely candidates. If you have MS Word 2010, simply click on your "File" tab, then "New" in the left-hand, vertical menu. Overwrite "Search Office.com for templates" with "Business Plan".



Browse through available plans, and select the best candidate; then press the "Download" button. (Be sure to save a Master Copy of your new Template!)



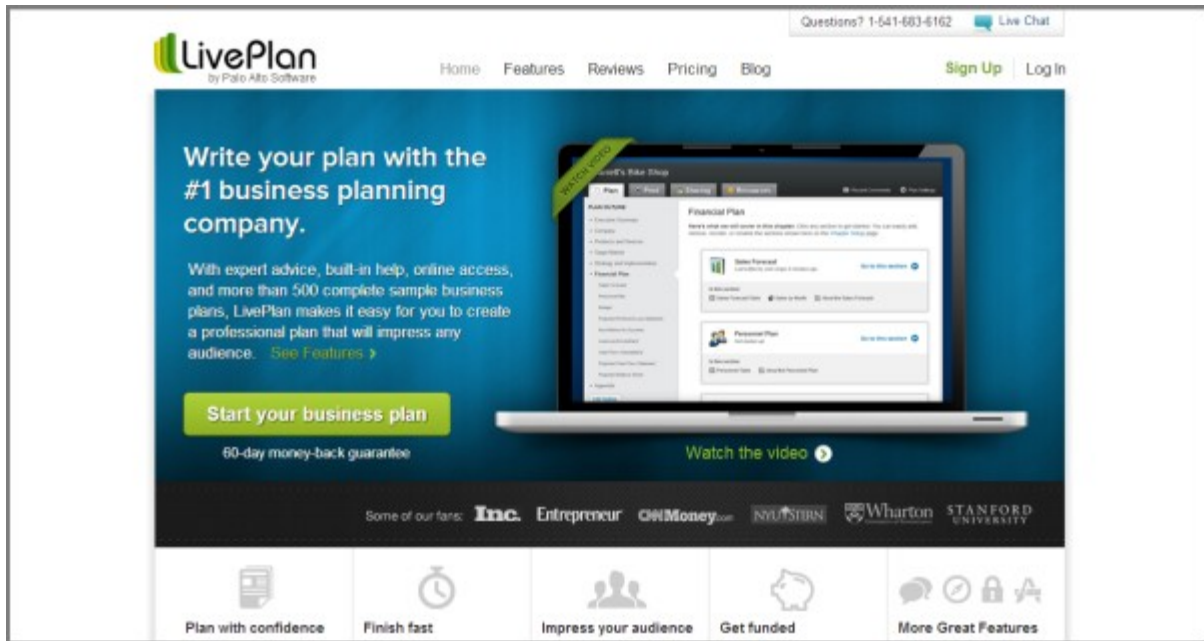
Not all these templates are created equal, so do pay attention to the rating given each one in the right-hand sidebar.



You can search the net for other sources of free Templates such as the [BDC](#) website and [About.com](#). Just be sure you are accessing a reliable site and don't download anything unless you're either very sure of the source or have run a search with the site name plus qualifiers like "complaints", "review" or "malware".

Business Plan Sites – Also consider taking out a subscription to a business plan creation site, which will provide you with guaranteed top-quality, easy-to-use and customize Templates and wizards.

Two currently popular and well-recommended subscription sites are [LivePlan](#) by Palo Alto software (\$19.95 per month at time of writing) and [Bizplan](#) (\$29.95 per month at time of writing).



Both these companies have standalone versions of the software that you can purchase for a one-time only fee.

Step 6. Start Writing!

Once you've assembled your data, create an outline before you ever enter a word of body text. This will help you create a well-balanced plan that is neither missing any sections nor focusing too much on one particular section.

If you are using a Template that already provides you with a structured table of contents and outline, you can simply start filling in your body data straight away.

Ditto, if you are using an online wizard.

If you are writing from scratch, however, it is vital to create your outline first. In any type of business plan, your headings should include:

- A cover page, with your logo and who the Plan is for
- A Table of Contents (TOC)
- A Mission Statement
- Executive Summary (if applicable)

After that, add or include sections as needed, depending on the type of plan you intend to create.

A basic Start-up Plan or Feasibility Study should contain (after the previous sections already indicated) a TOC sectioned into the following basic sections:

1. Market
 - 1.1. Customer Profile
 - 1.2. Competition
 - 1.3. Market Size and Market Share
2. Marketing Plan
 - 2.2. Pricing
 - 2.3. Location, Place or Distribution/Delivery
 - 2.4. Manufacturing Process (if applicable)
3. One to Three Year Financial Projections
 - 3.1. Startup costs
 - 3.2. Sales Forecast

The amount of detail in each section will depend on the type of plan.

Step 7. Proof Your Plan

When you have finished your business plan, run a spell checker on it. Go through the results carefully and make any corrections. Then save your plan, and put it away for at least a day.

Next morning, read through it. Correct any errors and highlight klutzy sentences you want to rework.

If you are preparing a Business Plan for a government-funded business assistance agency or your bank, ***be sure to ask if they have a preferred Template*** they would like you to use.

Run the spell checker again. Let it sit. Re-read it and proof it again.

Create a Master Copy and backup in both digital and print format before distributing print-outs of your plan to the proper parties.

Congratulations – you have now completed your first business plan. Just remember that business plans are never static: They are living, breathing roadmaps for your growing – and successful – business.