

# YOUR Business Planning Guide

*This Business Planning Tool provides an outline as a starting point for gathering information, making decisions and developing a plan for your organization. Every business owner has varying goals and needs throughout the life of the business. Use this tool to help you make informed decisions and get the most out of the time and money you invest in your business – today and in the future.*

## I. Executive Summary

*The Executive Summary comes first, but can be written last, after the Human Resources, Operations, Marketing, Finance and Strategic Planning & Management sections are completed.*

### A. Company Overview

1. Company Name
2. Mission – Why you exist (*values*)
3. Vision – Where you want to go  
(*nonspecific, directional, motivational*)
4. Type (service, retail, manufacturing, construction)
5. Location (benefits, limitations, zoning...)
6. Legal Structure & When Formed
7. History Highlights
8. Size (sales, # of employees, sq. ft.)
9. Important product/service and company features

### B. Nature of the Business

1. What product/service you sell
2. For what need/problem/marketing opportunity
3. For what market area and target market (market potential)
4. What are the alternatives to your product/service? (competitive advantage)

### C. Key Characteristics of the Industry

Brief Summary of the Size of the Industry, Types of Businesses, History, Trends, Critical Issues and Your Business "Fit" in the Industry. (This will be detailed in section IV. Marketing.)

### D. Brief Financial Highlights

Sales Forecast, Breakeven Point, Financing if needed – how much & for what/when payback

### E. Strategic Management - Summary of Short Range & Long Range Goals

### F. Compelling, Market-Driven Reason Why This Business Will Succeed

**Your Identity - 30 Second "Commercial"** (*elevator statement – Benefits to the customer*)

**Ohio SBDC**  
[www.ohiosbdc.org](http://www.ohiosbdc.org)

**First Stop Business Connection**  
[www.odod.state.oh.us/onestop/index.cfm](http://www.odod.state.oh.us/onestop/index.cfm)  
800-248-4040

**Secretary of State, 614-466-0590**  
[www.state.oh.us/sos/business\\_services\\_information.htm](http://www.state.oh.us/sos/business_services_information.htm)

**Ohio Department of Taxation, 800-405-4039**  
[www.state.oh.us/tax/business.html](http://www.state.oh.us/tax/business.html)

**Connect Ohio, [www.connectohio.com/bus\\_resources](http://www.connectohio.com/bus_resources)**

**Ohio Chamber of Commerce, [www.ohiochamber.com](http://www.ohiochamber.com)**

**Ohio Environmental Protection Agency**  
[www.epa.state.oh.us](http://www.epa.state.oh.us)

**Better Business Bureau,**  
[www.centralohiobbb.org](http://www.centralohiobbb.org)



The Ohio SBDC at the OSU South Centers  
1864 Shyville Road, Piketon, OH 45661  
Tel: (740) 289-3727 (614) 292-4900 (800) 860-7232 (Ohio)  
Fax: (740) 289-4591 (614) 292-1953  
<http://sbdc.osu.edu>



SMALL BUSINESS  
DEVELOPMENT  
CENTERS  
of Ohio  
The Resource for Growing Business

## II. Human Resources

- A. Owner, Manager/s** (experience and key skills – skill level)
- B. Employees** - HR Policies & Procedures  
(Job analysis and job descriptions, hiring strategy, compensation, performance evaluation process, employee training, retention, motivation)
- C. Consultants & Advisors**  
(Attorney, Accountant, Insurance Agent, etc.)
- D. Organizational Structure**  
(job descriptions - who does what and reports to whom?)
- E. Management Strategies** (How will you make the most of the people involved with your business? What can you delegate or outsource? What help and support do you need? How would you describe your organizational culture?)

### Human Resources & Business Planning

[www.toolkit.cch.com](http://www.toolkit.cch.com) (HR Tools)  
[www.shrm.org](http://www.shrm.org)  
<http://smallbusiness.yahoo.com>  
<http://sbinformation.about.com>  
[www.businessownersideacafe.com](http://www.businessownersideacafe.com)  
<http://www.americanexpress.com>  
(Small Business - Access Information -Hiring & Managing Staff)  
Ohio Bureau of Workers Compensation  
[www.ohiobwc.com](http://www.ohiobwc.com)  
[www.bls.gov/oco](http://www.bls.gov/oco)

## III. Operations – What, Where, When & How

- A. Products/Services** - What exactly do you sell?
- B. Location & Equipment** - Where is the business located & conducted? (why: features? any zoning issues?)  
What equipment and inventory items are required to start and run your business?  
What do you currently own? what will you lease? What will you purchase?
- C. Hours of Operation** - When does your business operate? (regular business hours, seasonal/special events)
- D. How do you Design, Source, Purchase, Produce and Distribute?**  
- New Product Development / - Sourcing, Production & Inventory Procedures / - Sales & Distribution
- E. Data Management** - How do you manage data (entry, processing, back-up)?  
(contacts, correspondence, bookkeeping, other files)
- F. Intellectual Property** - How do you protect designs, copyrights and other intellectual property?
- G. Risk Management** - How do you manage risk?
  - Financial, Liability, Environmental and Safety
  - Security, record retention & security of data – company, employee, customer, supplier
  - Political Risks, Legal Risks, Loss, Decline/Growth, Other
- H. Insurance** - What have you learned from an insurance broker about the costs/types of insurance you need?
- I. Taxes** - Which local, state and federal regulations and taxes apply to your business?
- J. Permits** - What permits and licenses have you determined apply to your business?
- K. Business Cycles** - What do you know about your business cycles?  
(Production, Delivery, Sales, Inventory, Financials)
- L. Operational Strategies** (How will you make the most of you location, purchasing & production processes?)

### Intellectual Property

U.S. Patent & Trademark Office, [www.uspto.gov](http://www.uspto.gov)  
U.S. Copyright Office, <http://lcweb.loc.gov/copyright>  
Licensing Societies, [www.les.org](http://www.les.org) & <http://lesi.org>  
International Trademark Assn., [www.inta.org](http://www.inta.org)  
Patent Office sites around the world, [www.pcug.org.au/~arhen](http://www.pcug.org.au/~arhen)  
Lawsearch: [www.lawresearch.com/v2/search/cetrade.htm](http://www.lawresearch.com/v2/search/cetrade.htm)

### International

<http://www.export.gov> \* <http://www.ita.doc.gov>  
<http://www.tda.gov> \* <http://www.stat-usa.gov>  
<http://www.census.gov/foreign-trade/www/index.html>  
<http://www.iccwbo.org>  
<http://www.adci.gov/cia>

### Additional Resources

[www.entreworld.org/Channel/SYB.cfm](http://www.entreworld.org/Channel/SYB.cfm)  
<http://lcweb.loc.gov/rr/business/guide2.html>  
[www.business.gov](http://www.business.gov)  
[www.firstgov.gov/Business/Business\\_Gateway.shtml](http://www.firstgov.gov/Business/Business_Gateway.shtml)  
[www.sbsc.org](http://www.sbsc.org) \* <http://www.sbtv.com>  
[www.businesslaw.gov](http://www.businesslaw.gov) \* Small Business "Law for All", [www.nolo.com](http://www.nolo.com)  
Occupational Health & Safety Administration, [www.osha.gov](http://www.osha.gov)  
OSU Extension, [ohioline.ohioline.osu.edu/lines/busi.html](http://ohioline.ohioline.osu.edu/lines/busi.html)  
[www.smallbuinesslearning.net](http://www.smallbuinesslearning.net)  
[www.allbusiness.com](http://www.allbusiness.com) \* <http://sbinformation.about.com>  
[www.morebusiness.com](http://www.morebusiness.com)  
[www.prenhall.com/scarbzim/html/links/links2.html](http://www.prenhall.com/scarbzim/html/links/links2.html)  
[www.business.com](http://www.business.com) \* [www.bplans.com](http://www.bplans.com)  
[www.smallbusinessschool.org](http://www.smallbusinessschool.org)  
[www.myownbusiness.org](http://www.myownbusiness.org)  
[www.businessplans.org](http://www.businessplans.org)



Contact the Ohio SBDC at the OSU South Centers for additional references on financial ratios; industry & market research; business planning, as well as consulting & other learning opportunities.

## IV. Marketing

### A. Industry Description

1. Industry History & Background
2. Life Cycle of Industry (expanding, stable, declining)
3. Current & Future Trends (product/service, marketing, operations, finance, other)
4. Legal, Political, Environmental & Other Issues
5. Economic Impacts  
(interest rates, consumer spending, business investment/production, housing, labor, trade...)
6. Types & Size/s of Businesses - Company "Fit" in the Industry
7. Key Associations, Publications, Events, Contacts, and Other Resources

### B. Target Market

- Customers (Demographics-who they are, Psychographics-how/why they behave)
- a. Business-to-Business Sales
  - b. Consumer Market (End User)

### C. Trade Area

Where are customers located? (Counties, States, Countries, Regions ...)

### D. Product/Service (solution), Packaging & Pricing

1. Describe Product/s & Benefits, Product Mix – Depth & Width
2. Describe Packaging - How does the packaging make it easier to display, mail, protect and demonstrate?
3. Pricing & Payments
  - a. How will you price your products and/or services? Will these prices give you an adequate profit? Are your prices competitive?
  - b. Will you accept credit cards? Will you offer customers credit? How? How will you handle slow-paying customers (collections)?

### E. Distribution (Place/Location)

How do you make your products/services available and convenient to customers?

### F. Customer Relationship Management (CRM) – Policies & Procedures, Customer Service

1. How Do You - Welcome, Thank, Educate customers?
2. How Do You Develop & Keep Customers - Satisfaction, Loyalty, Commitment

### G. Competitive Advantage

1. Who Are Your Competitors? (existing & potential/direct & indirect-competing for the same \$/same need)
2. How do they compete? What are their strengths & weaknesses?
3. What is your competitive advantage? What are your key resources, capabilities and contacts?

### H. Marketing & Sales Strategies & Results (Sales & Marketing/Media Mix, Positioning, Strategic Alliances)

1. As a result of efforts, what is your level of sales? How much is your profit? What is your market share?
2. How do you: attract, create interaction with & call customers to action?
  - a. Who? Right Audience – customer profile/target market
  - b. What? Right Message - Elements: offer, benefit, proof, call to action
  - c. When? Right Time, Frequency (do potential customers see your message 4-9 times?), Consistency
  - d. Where? Right Place, Media Choices & Channels
  - e. Product Positioning – price/quality, benefits, unique characteristics
  - f. How Much \$? Right Budget – leftover money, % of sales, comparative – Why?
  - g. How? Right Tactics – Marketing/Communications/PR/Sales/Service
3. Overall Industry Attractiveness - Michael Porter's Five Forces indicate overall industry attractiveness (industry competitors, potential entrants, threat of substitutes, supplier power, buyer power)

#### Industry Research

[www.associationcentral.com](http://www.associationcentral.com)  
<http://sbdnet.utsa.edu/SBIC/industry.htm>  
[www.galenet.com/servlet/AU?finalAuth=true](http://www.galenet.com/servlet/AU?finalAuth=true)  
<http://info.asaenet.org/gateway/OnlineAssocList.html>  
[www.ceoexpress.com](http://www.ceoexpress.com)  
<http://privateco.com>

#### Marketing

[www.sba.gov](http://www.sba.gov)  
*(The Marketing Your Business For Success Workbook)*  
*American Marketing Association,*  
[www.marketingpower.com](http://www.marketingpower.com)  
<http://www.entrepreneurmag.com>  
*(Special Report: How to Create a Marketing Plan)*  
*Direct Marketing Association*  
[www.the-dma.org](http://www.the-dma.org)  
*Consumer Expenditure Survey*  
[www.bls.gov/cex](http://www.bls.gov/cex)  
*OSU Extension Data Center*  
[www.osuedc.org](http://www.osuedc.org)  
[www.census.gov/](http://www.census.gov/)

**Finance**

**V. Finance** (Plan Budget & Manage Actual)

Financial Worksheets

- Assumptions upon which projections were based
- Pro-forma income projections (profit & loss statements)
  - Three-year summary/Detail by month, first year
  - Detail by quarters, second and third years
- Cash Flow & Break Even Analysis
- Balance Sheet, Capital Equipment and Supply List

Bookkeeping, Accounting & Reporting Processes

Key Ratios (liquidity, leverage, activity, profitability, growth)

Business Financing (personal savings, debt, equity, other)

(*C's of Credit*- Character, Capacity, Capital, Collateral, Credit, Conditions of the industry, market & economy, Confidence)

- <http://search.officeupdate.microsoft.com/TemplateGallery/ct138.asp>
- [www.quicken.com/small\\_business](http://www.quicken.com/small_business)
- [www.sba.gov/classroom/finance.html](http://www.sba.gov/classroom/finance.html)
- Ohio SBA, [www.sbaonline.sba.gov/regions/states/oh](http://www.sbaonline.sba.gov/regions/states/oh)
- [www.nytimes.com/library/financial/glossary/bfglosa.htm](http://www.nytimes.com/library/financial/glossary/bfglosa.htm)
- [www.valuationresources.com](http://www.valuationresources.com)
- [www.myownbusiness.org/s7/index.html](http://www.myownbusiness.org/s7/index.html)
- [www.bizmove.com/financial.htm](http://www.bizmove.com/financial.htm)
- [www.irs.gov](http://www.irs.gov) (Businesses)
- [www.pwcerc.com](http://www.pwcerc.com) & [www.dnb.com](http://www.dnb.com)
- [www.freecreditreport.org](http://www.freecreditreport.org)
- Order Credit Report 800-888-4213
- [www.rmahq.org](http://www.rmahq.org)

**VI. Strategic Planning & Management**

**A. Data Gathering & Analysis** (human resources, operations, marketing, money)

What information do you need for data-based decisions? Who will measure what/when?

Ratios such as # of clients per year, # of projects per year, average \$ per client, return on investment, # of employees per \$, inventory turns, product rejection rate, quality, capacity, cost of lead/sale, etc. (Measure what is meaningful. *"Not everything that counts can be measured and not everything that can be counted counts."* – Sign hanging in Einstein's Office at Princeton)

**B. Strategic Position** (human resources, operations, marketing, money)

What are your internal business strengths & weaknesses & external industry/market opportunities & threats? (market, industry, economic, political, legal, ecological, technological, etc.)

STRATEGY MATRIX		
	Strengths	Weaknesses
Opportunities	SO Strategies	WO Strategies
Threats	ST Strategies	WT Strategies

**C. Goals** - Where do you want to go? (vision; short & long range strategic objectives/priorities)

SMART Goals – **S**pecific **M**easurable **A**ttainable **R**ewarding **T**imed

- a. Short-range - human resources, operations, marketing, money
- b. Long-range (3-5 years) - human resources, operations, marketing, money

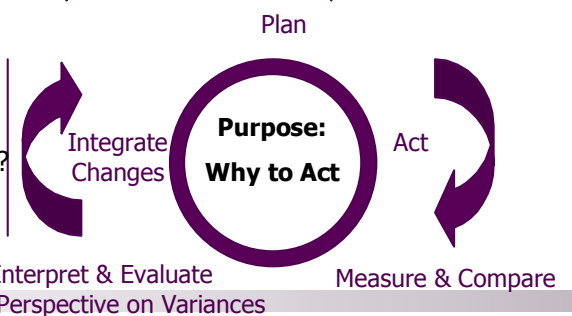
**D. Tactics** - How are you are going to get there? (manageable tasks & precise action plans)



*"Never confuse motion with action."* – Ben Franklin

**E. Management** – track & adjust to progress.

- How does performance compare to target measures?
- What are your key milestones and critical success factors?
- What do you need to Start Doing, Keep Doing, Stop Doing?



**After the Plan** – Project Notebook/s, Portfolio, Customer Comments, Recognition & Awards, Mentoring, Continuing Education