



7 Crucial Tips for Writing Your Business Plan

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Introduction

The entrepreneurial spirit has always been strong in America. Small businesses represent 99.7 percent of U.S. employment, according to the Small Business Administration, and hundreds of thousands are created each month.

Entrepreneurs come from every corner and walk of life, each with their own great idea, but it takes a lot of work to establish a business. Before profits and revenue are even a reality,

founders need to take the first steps to mapping out the most important details of their business vision.

It all begins with writing your business plan. This comprehensive document includes everything from how you plan to get financing to what goals you hope to accomplish. The road to your envisioned business begins with a thorough business plan. Here are seven tips you can use to start writing yours today.

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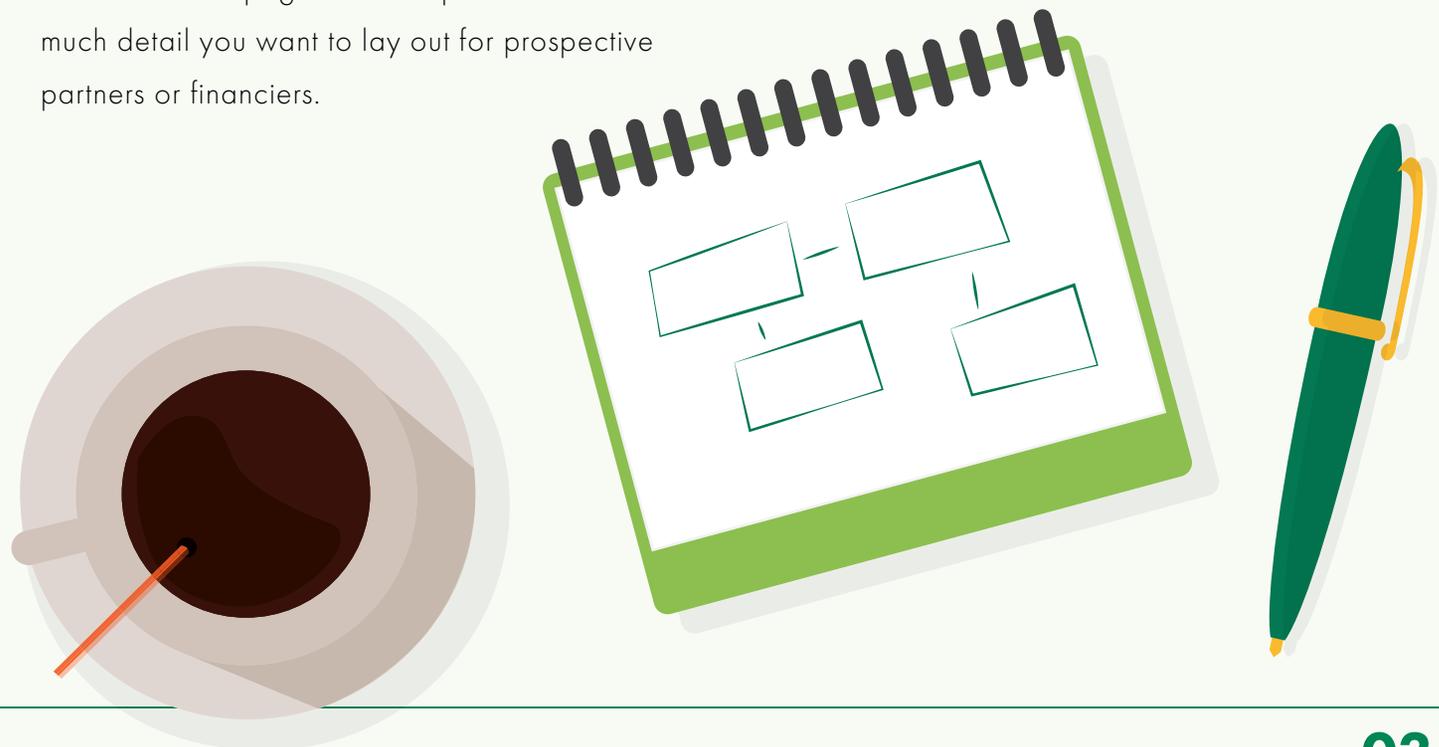
Tip #1 Start by Outlining Your Business Plan

Before diving right into the details, take some time to map out your business plan:

That is, outline it just as you might have done for a school paper.

Outlining is important for two reasons. First, you'll have a definitive blueprint to work from, which is important because business plans can range from 10 to 100 pages. It all depends on how much detail you want to lay out for prospective partners or financiers.

The second reason this is a good idea is that in the practice of outlining your work, you're basically writing your business plan in a simplified fashion. Outlines don't just provide you with structure, but also inspiration and motivation. Once you see all the progress you made in outlining your work, writing a dozen more pages doesn't seem so intimidating.



Tip #2 Know Your Basic Sections of a Business Plan

While each entrepreneur will have their own unique business plan, it's important to research what common elements all plans share. The audience (investors, lenders, or future employees) you're presenting your plan to will likely have seen tens, if not hundreds, of these before, so you'll want to be sure to hit on all the same critical points.

Your business plan should include:

- ◆ **Executive summary:** a brief intro to your most important points (e.g. top-level goals and actionable steps for establishing your company).
- ◆ **Business description:** a picture of your envisioned business and what markets and industries it would be active in.
- ◆ **Marketing strategies:** how will you present your business and build a brand image?
- ◆ **Product/services:** what do you plan to sell and how?
- ◆ **Competitor and customer analysis:** you're not the only one with big business dreams; make sure you take a look at what your competition is doing and how you will attract and retain customers.

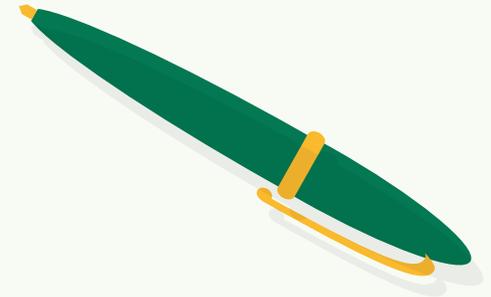


Tip #3 Write Concisely and Write Confidently

While the temptation to pack your business plan with as much detail as possible is understandable, you'll need to exercise restraint. You may be bursting at the seams with ideas and research — and that's a good thing — but you'll have to use precision in picking which sections to write in those fine details.

Business plans are long, and when they're being presented or read, the audience is just like any other readership: people want to get to the point. So, while detail and specificity are good qualities for a business plan, you don't want to bombard readers with an information overload. Consider making some areas more skimmable so readers can better grasp your vision.

Still, being concise does not exclude being confident. It doesn't take a bunch of words to make an impression. Write forcefully, succinctly, and with total confidence in your idea, and the reader will certainly get the sentiment.



Tip #4 Highlight the Opportunity

In the end, your reader will want their No. 1 question answered: Why? Everything else in your business plan – the executive summary, the competitor analysis, the industry research – all have a special and required place in your outlook, but answering “Why?” is among your most critical tasks.

Give your readers what they want by drawing their attention to the opportunity you wish to capitalize on. In fact, make this a constant theme throughout each section of your business plan. Wherever you can, tie in the opportunity to bring the reader’s mind back to the central idea in play.

Want to go even further? Use imagery and visuals to further reinforce your idea. Business plans can be fairly text-heavy, so you’ll want to break it up where you can with an interesting graphic to grab your reader back.



Tip #5

A Second Set of Eyes Never Hurt

While your business plan is naturally a piece of work close and unique to you, you can never go wrong in obtaining the opinion of a confidant. You'll spend many hours writing and retooling your proposal, and no matter how airtight it seems, there's always benefit in having a second set of eyes.

Consider your audience — possible investors, financial institutions, future employees — and the need for a well-polished plan becomes clear.

Whether you contact a family member, a friend, a business school classmate or a professional editor, getting their reactions will reveal any oversights you might have made, and shine a light on areas for improvement.

And don't forget: After getting those second opinions, be extra vigilant in copyediting and proofreading. The slightest mistake — a misspelling here, wrong punctuation there — can tank an otherwise stellar business plan.



Tip #6 Don't Forget About Financing

Entrepreneurs don't often have the personal funds to start a business on their own: The Minority Business Development Association said starting a firm "from scratch" could cost upward of \$30,000.

This makes a financing section in your business plan crucial. You'll need to complete a lot of research on all the channels available for financing options so you can inform the reader what to expect from your fundraising efforts.

Research from Fundable found:

-  **57%** of startups were funded with personal savings and credit.
-  **38%** raised from family and friends.

Meanwhile, venture capital (0.5 percent), angel investing (0.9 percent) and SBA-backed loans (1.5 percent) were other routes.

Once you have funds, you'll have to budget them accordingly. Some estimated budget items include:



Income sources:

Product sales, loans, savings, etc.



Fixed costs:

Hourly wages/annual salaries, rent, utilities, taxes, etc.



Variable expenses:

Materials, advertising, commissions, etc.



One-time spends:

Office supplies, software, etc.

Tip #7

Talk to Central Bank

Putting together a business plan can be a rigorous pursuit, but one that is also an ultimately satisfying and beneficial experience. Try not to be discouraged by the scope of the plan, and instead focus on the things you can control to present the best possible plan you can.

When you're putting together your business plan, come talk to Central Bank about what loan and lending products we have available for bootstrapping entrepreneurs and small-business owners ready to make it in the market. In addition to a variety of lending options, we have cash management solutions that can be customized specifically for your business.

Contact your local branch today to talk to us about your options and what we can do to help start your business and achieve your dream.

**Interested in learning more?
Contact us today.**



