



# Creating Your Business Plan

When will you know if you are successful if you don't have a plan?



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## Business Plan

- Goals and Objectives
- Mission and Vision Statement
- Product or Service Description
- Management Description
- Industry Trends
- Marketing Plan and Market Analysis
- Opportunities and Challenges
- Cash Flow Statement and Revenue Projections

## Other Essentials

- Location Selection
- Business Operations
- Business Registration
- Business Finance
- Business Lending
- Business Funding (Grants)
- Human Resources
- Marketing & Sales
- Taxes

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Sybil has spent many years in business management and consulting. She has been an employee and a business owner. Sybil started as a business advisor for the IL SBDC at ECC in 2008 and became the Director in 2011.



## Why do you need a business plan?

- To clarify important aspects of your business
  - Organization
  - Operation
  - Products/services
  - Market
  - Strategies for growth
- To provide comprehensive and credible financial projections for a specific period of time in the future that supports your plans for growth







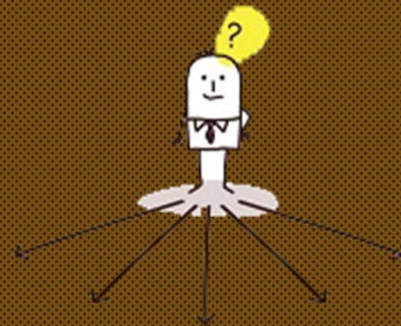
## When should you prepare one?

- Before you start a business of your own invention
- Before you buy an existing business or a franchise
- When you realize it is time to expand your current business, in terms of
  - Increasing Staff
  - Modifying or introducing new product/service offering(s)
  - Opening in another (or additional) location
  - Implementing a new distribution channel
  - Etc.
- ***Any time is a good time to prepare a business plan!***



## But, why?

- Almost always required if you need funding
- Critical to create a vision of where you are going and how to get there



## And...

- Appreciate the budget process
- Determine the right funding level for running your business and any planned expansion
- Observe all areas of your business, not just those you think need attention
- For those not very involved in paying a lot of attention to their financials, learn how to use them as an important management tool:
  - Profit and Loss
  - Cash Flow
  - Balance Sheet

## How do you grow your business?

- Sell more to existing customers
- Sell more to new customers
- Develop alliance partnerships
- Expand your physical territory
- Open additional company-owned locations
- Franchise your business
- Add new products or services
- Add distribution methods to reach new customers
- Identify new uses for your product or services
- Standardize your customer offerings
- Acquire another business
- Increase the value of the business in order to sell it



## When to Grow a Business

- Growth is good if it is
  - Controlled
  - Efficient
  - Managed
- So put your house in order first



## Do you have the answers?

- Who am I?
- Where am I?
- Where am I headed?
- How am I going to get there?
- How am I going to make it?
- How am I going to sell it?
- How am I going to pay for it?







## The Parts of the Plan

- Executive Summary of your Business
- Business Overview
  - Description
  - Goals & Objectives
- Background Information
  - Industry overview and trends
  - Fit within the industry

- ✓ Goals and Objectives
- ✓ Mission and Vision Statement
  - Product or Service Description
  - Management Description
- ✓ Industry Trends
  - Marketing Plan and Market Analysis
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## The Parts of the Plan

- Organization
  - Business structure
  - Management Team
  - Other personnel

- Goals and Objectives
- Mission and Vision Statement
- Product or Service Description
- ✓ Management Description
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## The Parts of the Plan

- Operation
  - Key activities
  - Inventory management
  - Supplier arrangements
  - A/R arrangements
  - Risk management
  - Compliance issues

- Goals and Objectives
- Mission and Vision Statement
- Product or Service Description
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## The Parts of the Plan

- Marketing Plan

- Product/Service description with pricing and cost
- Market analysis
  - Value proposition
  - Market segmentation
  - Location and census
  - International trade
  - Competition
  - Product/service placement
- Marketing objectives and tactics

- Goals and Objectives
- Mission and Vision Statement
- ✓ Product or Service Description
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## The Parts of the Plans

- Opportunities and Challenges

- Internal
  - Strengths
  - Weaknesses
- External
  - Opportunities
  - Threats

- Mission and Vision Statement
- Product or Service Description
- Market Analysis
- Management Description
- Marketing Plan
- ✓ Opportunities and Challenges
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## The Parts of the Plan

- Financials
  - Start-up or Growth costs
  - Cash Flow Projections (three years)
  - For an existing business, past three year P&L, Balance Sheet, and Scorecard (shows ratios and trends)
  - Projected three year P&L, Balance Sheet, and Scorecard

- Mission and Vision Statement
- Product or Service Description
- Market Analysis
- Management Description
- Marketing Plan
- Opportunities and Challenges
- ✓ Cash Flow Statement and Revenue Projections



## The Parts of the Plan

- Appendix
  - For details you feel are relevant but are too detailed to put in the body of the plan
  - Examples:
    - Detailed price list
    - Resumes
    - Intermediate spreadsheets
    - Product Pictures
    - Marketing Materials
    - Etc.



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# Questions



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Thanks to Sybil Ege for sharing her time and expertise on creating a business plan!