

Prepare a BUSINESS PLAN



WHY PLANNING IS CRITICAL

There are several reasons why planning is so important:

1. Planning gives you a path to follow.
2. It helps you create your future--what you want it to be.
3. It is the most important guide to building and managing a successful business.
4. A business plan helps other people (investors, suppliers, employees and others) understand the operations and goals of your business.
5. A business plan presents a simple concept of the company that can be easily explained to everybody.

MANAGEMENT: Define your product, service or system. Explain the trends of the business or industry and your qualifications to operate the business. List your strengths and weaknesses and show how the weaknesses will be offset.

MARKETING: Describe who and where your customers are. What compels them to do business with you? What is your Unique Selling Proposition? Describe the competition, pricing structure in the industry, industry trends and location strategies for your business. Show how you will work to get new customers through advertising, public relations, promotions, personal selling and customer service.

OPERATIONS: Tell how you produce the products and services you deliver. Describe how you will use employees, facilities, inventory and equipment to satisfy the needs of customers. Identify your sources for raw materials, inventory and supplies. Determine your insurance, legal and accounting needs.

FINANCIAL PLANS: What are your projected sales? What are your projected expenses? Determine how much capital you will need to invest in or borrow for your business to start up and continue until the business generates enough profit from its own operation. Forecast your cash flow showing how you will pay back loans or provide a return to investors and how you plan to make a profit for yourself.

SUPPORTING DOCUMENTS: Include in this section your résumé, personal financial statements and tax returns, catalog pages for equipment purchases, customer lists, price sheets, copies of pending contracts and other valuable information to back up claims you make in the plan.

Ask for a business plan checklist, a monthly cash flow projection sheet and a more detailed outline for writing a business plan from the Aurora Business Development Center.

Better yet, to learn more about business planning, attend our "**Writing a Winning Business Plan**" seminar or schedule a no-cost one-on-one counseling session to have your plan reviewed.

For either, contact the Aurora BDC at (303) 326-8690 or visit www.aurorabdc.com.