Your business plan workbook parts one and two

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What does a business plan do?

A business plan helps companies plan for their future. A business plan speaks for a company and represents its potential as a growing business. Many times companies will use their business plans as a detailed description of their business activities, organization and financing. It is not uncommon to include business plans as part of the supporting documentation a company produces when it looks to receive financing from banks and/or other pools of investors.

Such an important document will have many parts. The following is a list of a plan’s key components:

- **Cover Page:** Name of Company, Group Participants
- **Table of Contents**
- **Mission Statement:** Your company’s vision for the future
- **Management Team:** Individual Biographies of Group Members
- **Organizational Chart:** Indicate if company is a sole proprietorship, partnership or corporation. Include organizational chart with roles/titles of individuals involved.
- **Market Summary:** Include information and research on:
  - The current state of the market for your industry.
  - Future implications for this type of business
  - Competition etc.
- **Business Concept:** Describe your business and then describe what makes you stand out including opportunities and strengths (your edge) for your business.
- **Financial Plan:** Provide an overview to you financial circumstances. Provide a summary statement for each of the spreadsheets indicating their contents.
  - Opening day balance sheet
  - Start up Expenses
  - Break Even Analysis
- **Twelve Month Forecast:** Describe your strategies for building the business.
Completing the first half of your business plan:
After deciding on the type of business your group will start, the first half of the workbook will concentrate on the following highlighted parts of the business plan:

**Mission Statement:** Your Company’s vision for the future

**Management Team:** Individual Biographies of Group Members

**Organizational Chart**
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In session 2 you will have a tutorial on Excel. Excel is the software used by businesses to organize their financial information.

Session 3 will start to go over specific information on writing your plan but for now, first things first.
Let’s discuss how this business plan project fits into the course:

Classroom lectures will give you the basic knowledge on essential financial concepts. The business plan will give you experience with putting these concepts to work. The business plan represents a group project that will be completed by you as part of small groups of fellow students. The workbook will be divided into halves in order that it can be integrated into your classroom learning. The project does end with your group handing in the plan and giving a short presentation about the business to the class. Being successful in this assignment requires sufficient preparation, organization and co-operation which are integral to effective administration practices.

You cannot handle this by yourself so I strongly recommend that you schedule regular group meetings to deal with the assignments presented in the various parts of this workbook.

The first thing you need to do is decide on the type of business you are starting. The good news is that it can be any health related business you wish. Maybe you will want to draw on your own experience or that of your group members. That is fine but, you can also branch out to anything new that you find interesting.

Your businesses starting point:

Pretend that you and your other group members were socializing one day and as friends will do, you were all talking about your various jobs. Suddenly, you notice that none of you are particularly happy about working for your respective employers so one of you say “wouldn’t it be nice if we had owned or own business”? You look at each other and say “why not” and suddenly your business is born. It turns out that each of you has about $10,000 saved up. So together, you will have $40,000 to $50,000 in startup capital -depending on whether your group has 4 or 5 members.

Why don’t you list some preliminary ideas for businesses you would be interested in starting:

1.

2.

3.

4.
Mission Statements:

A mission statement represents a clear and concise description of your business. It reflects the core values of your organization and provides vision guidance for the future. Your mission statement should show enthusiasm with an ‘upbeat tone’ and give a socially meaningful perspective. It does need to be easy to read and understand by persons who are not familiar with the intricacies of your business or its industry.

On Blackboard you will find a number of links to help you write your businesses Mission Statement. When you develop your own mission statement, keep it approximately a half page long.

List your key values for the business:

1
2
3
4

Have some fun, from missionstatements.com : (answers are on the next page)

Here are mission statements from five major corporations. Major corporations have brand identities so their mission statements may look more like advertising slogans, Can you match the mission statement to the correct corporation named on the right?

1. We are a global family with a proud heritage passionately committed to providing personal mobility for people around the world.
2. People love our clothes and trust our company. We will market the most appealing and widely worn casual clothing in the world. We will clothe the world.
3. We work to help people and businesses throughout the world realize their full potential. This is our mission. Everything we do reflects this mission and the values that make it possible.
4. To be one of the world’s leading producers and providers of entertainment and information. Using our portfolio of brands to differentiate our content, services and consumer products, we seek to develop the most creative, innovative and profitable entertainment experiences and related products in the world.
5. To provide an exceptional dining experience that satisfies our guests’ grown-up tastes by being “Cut-Above” in everything we do.

Answers: 1d 2a 3e 4c 5b
Who does what?

A company’s organizational chart shows us who handles the different areas of responsibilities and how the organization formally communicates. I have found that drawing an organizational chart ‘from scratch’ is easy in PowerPoint. However, Microsoft Office offers a number of templates online for download. More importantly, as part of this exercise you will have to decide who does what within the business.

An organizational chart is a graphic representation of your company’s responsibility centers.

Market Summary: A market summary is all about the industry your business operates within.

Business is all about change and companies need to keep up with emerging trends. IBM started as a company making cash registers but today provides business solutions as one of the world’s most prominent technology companies. Every business finds itself part of a larger industry. A Market summary looks at issues that are affecting the industry which your company is part of. Think of it this way, what are the opportunities and what are the treats, not to your company specifically, but rather all other companies that are in the same industry.

To answer this, you are going to have to do some research. I turn your attention to the US Department of Labor website (in Blackboard) and their Standard Industrial Classification codes (SIC codes). These are used by the department to database industry relevant information so you will need to look up the SIC code if you want the latest government information on your company’s industry. Also, don’t forget the college’s own resources. Go to Citytech’s library page and look up all the different searchable databases that are available for business related research. And finally, know that an office of the New York State small Business Development Center is located on the CityTech Campus at 25 Chapel Street. Please note, any references or citations included with the business plan need to be in APA format.

The Business Concept: it is all about your business

This is where you get to describe your businesses strengths and weaknesses. It is good to know what your competitive edge might be. Too many business owners start their business without a clearly defined edge that will bring them customers. The saying “build it and they shall come” can be very disappointing when applied to finding customers for a new business. Therefore, you need to understand your businesses strengths and the opportunities. More importantly, by recognizing and understanding your weaknesses and treats you can turn them around to help establish your competitive edge.

- Turn your weakness upside down and think of them as opportunities for innovation.
- What is your competitive edge?
- What will make your company stand out?

Answers to mission statements: 1d, 2a, 3e, 4c, 5b
Market Summary and Business Concepts

Internal:

- **Strengths**
- **Weaknesses**

External:

- **Opportunities**
- **Threats**

Strengths / Weaknesses are internal to the company
Opportunities and Threats are external to the company

Having completed these exercises you are now to prepare as a group a draft of the first half of your business plan to include all of the following:

**Mission Statement:** Your Company’s vision for the future

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