

## Writing a Business Plan

In many ways, creating a business plan is like writing a report. The writer starts with an idea and then develops an outline to complete the report. Yes, the idea is the beginning stage but it is the written words that make the difference.

Similarly, every business starts with an idea but it grows with a business plan. Your plan is your outline for success. It will help you stay focus, attract investors to your company and potentially give you access to funding by banking interests or state and local agencies.

Business plans are divided into four sections:

1. Statements of purpose
2. Description of your business
3. Review of the financial data
4. Explanation of experience

**The Statement of Purpose** or executive summary is a short explanation of the goals for the business and the reason for the business plan (i.e. to secure funding for the purchase of equipment or gather new investors). This section should also include a table of contents.

**The description of the business** is a section that summarizing an overview of the business which includes these facts:

- Present condition of your business (Description)
- The services you offer now or will in the future
- Information on your consumer market and your businesses relationship to the consumer market (market share)
- Information on competitors and how your services is better or provides a challenge to your competitors.
- Description of your workforce and how it relates to meeting your business goals
- Summary of the affect of achieving your statement of purpose (gaining investors or securing funds).

**Review of the financial data.** This section should include a summary of your financial forecasts for three to five years including:

- Spreadsheets (with an explanation of how you reach your projection)
- Balance Sheet
- Income Statements
- Cash –flow projection

**Explanation of experience.** This section should include:

- Biographical information on company founders and management
- Business experience in the company's business field.

*Sources: The Link by Capital K "How to Write a Business Plan" by Rick Moore, [microsoft.com/smallbusiness/resources/startups/business-plans-entities/how-to-write-a-businessplan.aspx#Howtowriteabusinessplan](https://microsoft.com/smallbusiness/resources/startups/business-plans-entities/how-to-write-a-businessplan.aspx#Howtowriteabusinessplan)*