

10 Steps to a better Business Plan

"Don't go to the Bank without them"

1. Conduct Research "*Look before you leap,*" is an old adage that makes real sense in business. Gather as much information on your proposed business as you can. Find out how other entrepreneurs succeed, find out industry data at your library, assemble information from your industry's trade association and go online to see what trends are out there.

2. Project Your Ideas Bankers and accountants love business projections. If you can envision and write down business projections that focus on market size, sales projections, cost estimates, total revenue, expenses and net profit, you can plan for success. Business must be designed to generate revenue and profit. As much enthusiasm as you have for your product or service, you need to have as much or more enthusiasm for the numbers. Strong numbers indicate the potential for business success.

3. Obtain Working Capital Access to capital is crucial to your business start-up. Understand that starting and running a small business costs more than anticipated. Plan to have enough cash on hand to fuel the business. For many businesses this means securing a loan to provide funds in addition to your investment capital. Your business projections must evolve into a formal business plan, since lenders generally want to see a business plan before making a loan. Be sure to investigate SBA-guaranteed loans.

4. Know Your Competition Be prepared for market pressure. Whether you are entering a field with emerging technology or are carving a niche in a tried and true industry, competitors are watching. Find out as much as you can about them. Visit their stores, understand their marketing strategies and know how their product or service compares with yours.

5. Location, Location, Location For a retail business, location is critical. A safe, accessible location is vital to attracting foot traffic. If you are planning a home-based business, location is important in terms of your access to your clients offices and to support services like overnight delivery companies. Choose a location that is conducive to doing your kind of business.

6. Build A Positive Image Honesty and integrity should be the foundation of your business. In today's competitive market, you want to develop long term business relationships. Customers will trust you if you provide a quality product or service. Be sure to take into account the importance of decor in retail shops, packaging for products and competitive pricing.

7. Keep Accurate Records You need to maintain complete financial records to manage cash flow. Maintain a good credit rating by paying your bills on time and encourage your customers to pay you in a timely manner. Your accountant needs well documented records to prepare your tax returns.

As a business owner, you are obligated to pay taxes; accurate records ensure that you are paying the appropriate tax on your business. In addition, accurate records keep you posted on your profitability.

8. Obtain Expert Advice No one entrepreneur has all the answers. You will bring your own strengths and weaknesses to your business. Be open to asking for advice, assistance and support to fill in the gaps. Many businesses seek the counsel and services of an accountant and attorney to address specific business issues. SCORE counselors can also help you-at no charge-by serving as a sound board gather and review research, develop and evaluate ideas and plan options for business strategies.

9. Purchasing Purchasing intelligently is critical to business success. You must analyze the market to predict what products will sell, negotiate the best volume discounts and facilitate contracts that offer you favorable payment terms. Whether you have a product or service business, you will need computers, telephones, office supplies, etc. Look for the products that meet your needs and companies that provide service contracts at a price you can afford.

10. Profit Develop a business plan that focuses on making a profit. After all your hard work, you want the bottom line to show a profit. One of the primary rules of ownership, is to pay yourself first. Be sure to add your own salary as a business expense. Your business should generate enough revenue to pay you, operate the business and generate a profit at the end of business year.