A winning business plan

A business, as defined by entrepreneur, is a “written document describing the nature of the business, the sales and marketing strategy, and the financial background, and containing a projected profit and loss statement.” However your business plan can serve several different purposes.

(mike Ashinmolowo) <danlock> read about him.

3 rules for writing a business plan:

Keep it short.

Business plans should be short and concise.

The reasoning for that is twofold:

First, you want your business plan to be read(and no one is going to read a 100-page or even 40-page business plan).

Know your audience

Write your language using that your audience will understand

Insteadnof this:

Our patent-

Our patent-pending product is a no power, easy to uses device that replaces traditional ventilator machines used in hospitals at 1/100th the cost.”

3. Don’t be intimated

The vast majority of business owners and enterpreneurs aren’t business experts. Just like you, theyre learning as they go and and don’t have degrees in business.

Writing a business plan may seem like a big hurdle, but iit doesn’t have to be . you know your business-youre the expect on it. For that reason alone, writing a business plan and then

6element in writing business plan

1.Executive summary is an overview of your…

2.Opportunity; what are you actually selling and how are you solving a problem. (or need)for your market? Who is your target market and competition?

3. Execution; in the executioin chapter of your business plan you will answer the question: how are you going to take the opportunity and turn it into business? This section will cover your marketing and sales plan, operation and your milestones metric for success.

4. Company and management summary.

Investors look for great teams in addition to great ideas. Use the company and management chapter to describe your current team who you need to hire. You will also provide a quick overview of your legal structure, location, and history if you’re already up and running.

5. Financial plan

Your plan isn’t complete without a financial forecast. We will tell you what to include in your financial plan, but you will definitely want to start with a sale forecast, cash flow statement, income statement (also called profit and loss) and your balance sheet. (must include 5 years’ plan)

6. appendix

If you need more space for product images or additional information, use the appendix for those details.

Lets dive into the details of each section of your business plan and focus on building one that your investors and lenders will want to read.

DETAILS

EXECUTIVE SUMMARY

The executive summary of your budiness plan introduces your company, explains what you do and lay out what you are looking for from your readers. Structurally, it is the first chapter of your business plan. And while it is the first thing that people will read, I generally advised that you write it last.

Why?

Because once you know the details of your business inside and out, you will be better prepared to write your executive summary. After all, this section is a summary of everything elsee youre going to write about

Ideally , the executive summary can act as stand alone document that covers the highlight of your detailed plan. In fact it is very sommon for investors to to ask for only the executive summary, when they are evaluating your business. If they like what they see in the executive summary they will always follow with arequeat for a complete plan, a pitch presentatioin and more indept financial

Because your executive summary is such a critical component of your business plan, you will want to make sure that its as claear and coincide as possible. Cover the key highlight of your business but don’t into too much details ideally your executive summary will be one or two pages at most, designed to be quicked read that spark interest and makes your investors feel eager to read

The critical component of winning executive summary:

One sentence business overview

At the top of the page, right under your business name, include a one sentence overview of ytour business that sums up the essence of what you are doing

This can be a tagline, but its often more effective if the sentences describe what your company does. This is know as value proportion

Problem

In one or two swentences, summarize the problem you are solving in the market. Every businesses is solving a problem for nits customer and filling a need in the market

Solution

This is your product or service. How are you addressing the problem you have identify in the market?

Target market

Who is your target market, or an ideal customer? How many of them are there? It is important to be specific.

If you are a shoe company you are not targeting everyone” just because everyone has feet. You are most likely targeting a specific market strategy such as “style-conscious men or runners”. This will make it much easier for you to target your marketing and sales efforts and attract the kinds of customers that are most likely to buy from you.

Competiton

How is your targetmarket solving their problem today? Are there alternatives or substitute in the market?

Every business some form pof competition and it is critical to provide an overview of your executive summary.

Company overview and team

Provide a brief overview of your team and short explainaation why you and your team are the right people to take your ideal to market.

Investors put an enormous amount of weight on the team-even more than on the idea-because even agreat idea needs great execution in order to become a reality.

Financial summary

Highlight the key aspects of your financial plan, ideally with a chart that shows your planned sales, expenses, and profitability.

If your business model( i.e how you make money)needs additional explaination this is where you will do ti.

Funding requirements

If you are writing a business plan to get a bank loan or because you are asking angel investors or venture capitalist for funding, you must include the detailed of what you need in the executive summary.

Don’t bother to include term of potential investment, as that will always be negotiated later. Instead just include a short statement indicating how much money you need to raise.

Miles stone and traction

The last key of an executive summary that investors will wa t to see is the progress that you have made so far and future milestone that you intend to hit. if you can show that your potential customer are already interested in- or-perhaps already buying-your product or service, this is great to highlight.

You can skip the executive summary (or greatly reduce it in the scope) if you are writing an internal business plan that is surely a strategic guide for your company. In that case you can dispense with details about the management team and funding requirements, and traction and instead treat the executive summary as an overview of the strategic direction of the company, to ensure that all team members are all on the same page.