

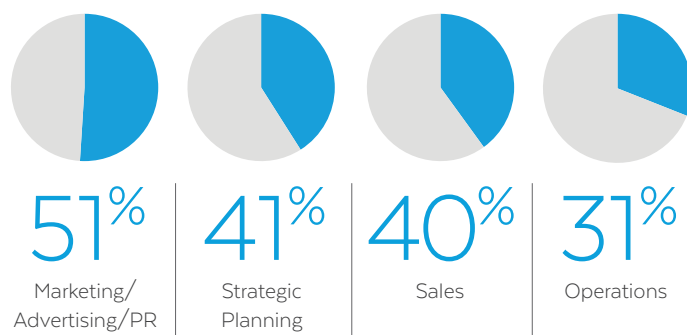
# Plan

Develop an initial business plan, goals and competitive strategy.

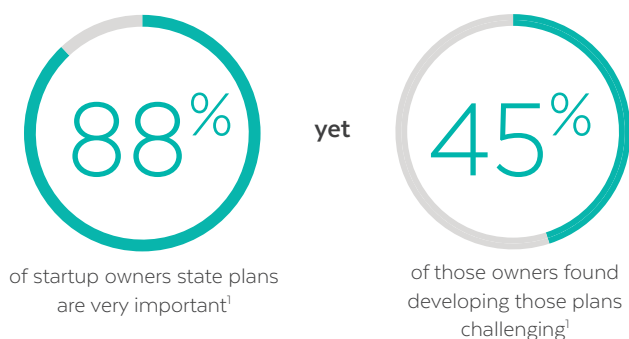
## Why do business plans matter?

Creating a business plan is one of the most important steps when starting your business. The plan allows you to define your goals, establish priorities and set performance measures for a 2-5 year timeframe. Ask yourself important questions during this planning process about the types of customers you want to attract, product features you need, pricing you will offer and markets you can target. Revisit your plan on a regular basis throughout the year as a tool for managing your business.

### Where would entrepreneurs put their time if they had a chance to start over?<sup>1</sup>



### Importance of developing an initial business plan, goals and competitive strategy for a startup business



## Key actions to take

A well-thought-out plan forms the foundation for your business, providing you a communication tool to use with investors, staff, customers and partners and setting the guard rails to measure success as you move forward.

- **Create a roadmap:** A business plan serves as a roadmap for your business and is a valuable tool for launching and growing your startup. Creating the roadmap, in a document or graphic format, helps you to think objectively about your business idea and plans. The roadmap will allow you to set realistic goals and solid projections with checks and balances in place. The roadmap is a living document to be revisited and adjusted on a regular basis (48 percent of business owners plan to review and update the business plan monthly or quarterly).<sup>2</sup>
- **Define goals and projections:** Focus on setting goals that are specific, measurable and attainable. By following this simple guideline, your goals will be clear and can be easily understood by everyone — investors, management, advisors, staff and partners — involved in your startup. Define revenue, market share and new customer projections to measure success and guide decision-making.
- **Understand the target market:** Identify your strategy to take your product or service to market. An understanding of your competitors' strengths, weaknesses and market positioning can guide decisions related to price and how you position your business in the market. Take a close look at the targeted group of customers and their needs and buying behaviors. Confirm that your targeted market is tightly defined and financially attractive. Sixty-four percent of small businesses check prices against the competition either monthly or quarterly.<sup>2</sup>

- **Develop a financial plan:** Developing a financial plan is an essential step for every new business, and particularly important if you are working with investors or lenders. A financial plan is a useful tool to steer your business in the right direction. A financial plan projecting both cash and profits provides the guidance to ensure that your startup can establish itself as a viable business, especially in early stages when cash flow is so critical, but before a strong profit stream has developed. Share your financial plan with a trusted advisor, like a CPA, to get an independent and objective point of view. Many business owners significantly overestimate the amount and timing of revenues and underestimate costs. Objective advisors can help you develop a more realistic perspective.

**Click below for additional resources:**

**[9 Elements of an Effective Business Plan](#)**

**[Build Your Business Plan](#)**

Learn how to create a business plan.

**[Becoming an Entrepreneur](#)**

Items to consider before starting your own business.

**[Podcast: Small Business Owners: Writing Your Business Plan](#)**

Advice to small business owners for writing a business plan.

**[7 Mistakes to Avoid when Starting a Business](#)**

Neglecting a business plan is at the top of the list.

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we can help your business.**

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<sup>1</sup> SunTrust conducted research with 532 small business owners ranging from \$100,000 to \$2,000,000 in annual revenue in the first quarter of 2018.

<sup>2</sup> SunTrust conducted research with 397 small business owners ranging from \$100,000 to \$2,000,000 in annual revenue in the first quarter of 2017.