



ICAST

community powered results.

www.icastusa.org

**Business Planning
for Rural
Entrepreneurs**

www.icastusa.org

Table of Contents

Introduction and Acknowledgments	2
Why Start a Rural Business?	3
Why Do You Need a Business Plan?	3
What You Hope To Achieve With Your Business Plan	3
Content: What To Include In Your Business Plan?	4
<i>Cover Sheet and Table of Contents</i>	4
<i>Executive Summary</i>	4
<i>Organization Plan</i>	5
<i>Marketing Plan</i>	6
<i>Financial Information</i>	7
<i>Supporting Documents</i>	11
Write Your Business Plan and Start Your Business!	12
<i>How Do You Put Your Business Plan Together?</i>	12
<i>Tax Considerations</i>	13
<i>Find The Money You Need To Start Your Business</i>	13
When You've Started Your Business!	15
Resources/Tools For Success	15
Next Steps	16

Introduction and Acknowledgments

Welcome to Business Planning for Rural Entrepreneurs! Thank you for choosing this as one of the tools that will help you create a great business plan and increase the chances that your new business will be successful!

Thank you to Linda Pinson and her excellent book *Anatomy of a Business Plan*, which served as the primary reference in compiling this document

Why Start a Rural Business?

This is perhaps the first and most critical question to ask yourself. Why do you want to do this? What motivates you and what will keep you excited when you hit inevitable road bumps? What do you hope to achieve? There are many possible reasons for starting a rural business: taking more control of your and your family's financial future; creating a lasting legacy; offering good, local jobs to maintain a vibrant economy. There can be many reasons, but be true to yourself. That's the best way to stay energized and passionate as you start your business.

Why Do You Need a Business Plan?

You may have heard people talk about business plans before, but why are they so important? At its core, a business plan is a blueprint that helps you make important decisions for the entire life of your business. It will give you the information you need to always look at what your business is doing. That will make it easier to decide how to adapt to be more successful.

Without a plan from which to deviate, all we do is deviate.

There is another way people use business plans that can be very important. If you require some financial help to start your business, whether you are asking friends/family, banks, or investors, they will have to see your business plan. People/organizations that will consider investing their money with you will use the business plan for various purposes:

- How their investment/loan will help the business be more successful
- How you will manage the money and how you plan to repay them
- How your business will grow so they can earn their money back, plus interest

Without a good business plan, you will not have the information you need for success, and you will have difficulty finding outside funding to give your business the money it needs.

A business that fails to plan, plans to fail

What You Hope To Achieve With Your Business Plan

It is not only important to know why you need a business plan but you also need to know what goals your business plan will help you achieve. This is crucial in rural areas because the smaller/more dispersed population can lead to a smaller tolerance for business error.

You don't start plowing the land before you know how big the crops will be, so you don't write a business plan before knowing what you want your business to achieve long-term

So, before you do anything, think about some of these things first

1. What do you want to achieve in your business life moving forward?
2. What will you consider success with your business?
3. When do you want to reach that success point?

Content: What to Include In Your Business Plan?

In the following sections, we will look at what information you should include in your business plan and how it should be organized. That isn't to say you need to write your business plan as you read. In fact, we encourage you to read through all of this first, and then look at our tips on how to put your business plan together, which you'll find later in the document. While you read these sections, think about what information you know already and what you need to look up.

For each piece of information you include in your business plan, you should know how you will earn money from it or how it will create costs, which you have to plan for. For example, when you write in your business plan that you will have 2 employees, you need to also think about how much it will cost to pay them. Sometimes things can both cost money and make you money, like buying a cow to sell milk or paying for an advertisement to increase your number of sales and your earnings.



Cover Sheet and Table of Contents

Let's start with the easiest part of your business plan... the cover sheet! That is the first page, and it should include the following information in the following order:

- | | |
|--------------------------------------|--|
| 1. Business Name | 6. Names, Titles, and Phone Number/Email for Each Owner/Business Officer |
| 2. Business Address | 7. Month, Year of Last Update to Business Plan |
| 3. Business Phone Number &/or Email | 8. Name/s of the Business Plan Writer/s |
| 4. Website Address (if you have one) | 9. Statement of Confidentiality (optional) |
| 5. Business Logo (if you have one) | |

After the cover sheet, you will have a table of contents, which you can finalize at the end when know the page numbers. You can model your table of the contents after the one in this packet.

Executive Summary

Even though the Executive Summary appears at the beginning of your business plan, it is better to write it after you have written everything else, including the financial information. You will have worked through all of your thoughts and clarified the decisions you plan to make. That will make it much easier to write the Executive Summary at the end. Plus, if you write the Executive Summary first, you might need to change it after you have completed your financial information.

What is the Executive Summary? It is the bird's eye view of your future business. It summarizes everything that is discussed in your business plan and, if you are using the business plan to raise money, it briefly explains why you are asking for funding, how it will be used, and when you need to receive it. You do not need details; this is the summary.

Focus on these key points:

- Who you are
- The vision for what your business will do
- Where your business will be (briefly describe the area, unless it's an online business)
- How much money you are asking from the lender or the investors
 - It is helpful to briefly indicate what the money will go to (for example, \$45,000 for a truck and \$5,000 to properly train someone to drive the truck)
 - Mention how you plan to repay the loan, and what you will offer for collateral*
- Your business's goals
- Why you chose those goals
- How you plan to achieve those goals (briefly)

* Collateral is something that your bank or investor can take from you (such as your car, home, or retirement savings) if you fail to pay them back. It minimizes their risk for giving you money.

Organization Plan

This will be the first section you will write for your business plan. You will start by describing your business and explaining what it does to earn money. Then, you should explain how you will organize your business so that it operates effectively and with minimal costs.

These are some helpful points to include, especially for rural businesses



- Your business model, which is simply how you will earn money. You'll want to make sure you can reliably earn money in the long-term (Think about if a farmer farms his land to the point of nutrient depletion, after a few years he/she can't grow crops so that is not a good business model). If you sell solar panels for chicken coops, then your business model is to buy solar panels from a manufacturer and then sell them to chicken farms. If you have created an online dating website for farmers, then your business model might be to charge people to sign up for the website, or charge them every time they have a match.
- Explain a little bit more about the type of products or services you will offer and how you are able to offer them (for example, for the chicken coop solar panel business, you would explain where you buy the solar panels, where you will store them, how long the panels should last, how reliable they are, how much power they generate, and so on)
- Mention your business's short-term and long-term goals and then explain what you specifically plan to do in order to achieve those goals
- Your business's expected strengths, weakness, opportunities and threats
- Your business's competitors and a short description of each business

It is also important to include administrative details in your organizational plan. Remember to always be thinking about how every aspect of your business plan should be considered as something that will help you earn money, will cost money or both.

- What your office space will be like and where it will be
- Something that you may not have considered before, even though it has important consequences for your business, is how your business is legally structured. You can be a sole proprietor, a LLC, a co-op or a corporation. To learn more, please see www.sba.gov
- The employee structure of your business (the management team and staffing you will need to succeed). Are there people in your community that will be able to do the work?
- What will you use for accounting? Will you hire an outside business? Will you do it yourself using certain accounting software? Explain your planned accounting system
- Like the legal structure, it is very important to consider what insurance your new business will need and then describe it in your business plan. You will want to consult with an insurance agent familiar with businesses in your industry to decide what is best for you.
- Depending on the business you run, security can be a large part of your operations (retail stores/restaurants must have robust physical security systems, and online stores need excellent internet security, especially if people pay with credit cards online).

Marketing Plan



You may think of radio commercials and newspaper ads when we say “marketing,” but in fact your marketing plan is much more than that. It is an analysis of your customer market, your sales strategy, and how you plan to contact your market to make your product or service appealing.

You will first want to define your customer market. Who would pay your business to help them with something they need or what? What are those people like? Think about characteristics that might impact whether or not they would be interested in your business. This can be anything, such as age, gender, family status, religion, education, job function, annual income, and so on.

For the chicken coop solar panel business, the job function matters (farmers/ranchers) but the religious background is not relevant. For the online dating site for single farmers, the family status matters (they will not sign up if they are married) but the annual income doesn’t.

In rural areas, it is essential to decide if your business needs a good location for marketing purposes. A restaurant will have to be near popular areas, like the grocery store, so that people see it often and it is easy to get to. The dating website does not need an office location in town.

Think about local trends or political plans as well. Everyone knows this but it can be easy to forget when you create your business plan. It doesn’t make sense to start a babysitting business if the local population is getting older and not having very many kids. On the other hand, if the new city council wants to reduce the tax on alcohol, maybe it makes sense to open a liquor store.

Part of your marketing plan involves analyzing who your competitors are and how you are different from them. It also involves determining how much you will plan to charge for your product or service. It seems obvious, but many new companies fail because they do not charge

the right price. Consider your competition's prices, how much it will cost to run your business, and how much your target customers would be willing to pay.

At this point, it is also helpful to outline a strategy for letting your customers find out about you. That can be by word-of-mouth, a big grand opening event, strategically-placed flyers, or even more typical (and expensive) methods like billboards. Your customers need to know about you!

It can be difficult to decide the best way to market your business. Instead of first thinking about what you want to do, think about what you want to accomplish. That can make it easier to decide what to do. Do you want to increase the number of products sold? Then you can put in your business plan that you will host a weekend sale. Do you want to increase the number of people that buy from you? Consider a promotion where customers receive a discount if they refer a friend. Do you want people to associate your business with great customer service? Maybe describe how you will include customer reviews on your website or business's Facebook page.

It is very helpful to be extremely specific about what you will do and what it will look like. If you send out postcards in the mail, what will they say and how will you find the names and addresses of people to send to? There are many ways to tell your customers about your business, such as email marketing or reciprocal marketing, like offering a discount to Broncos fans.

Don't underestimate the value of the people you know. It might be helpful to join a trade association or a community group in order to expand your network and help spread the word. People like to buy from people they know, especially in rural areas.

Ultimately, informing customers about your business is only one piece of the puzzle. Once you've identified your target customers and figured out how to tell them about your business, it is just as important to convince them that your business can not only give them something they want or need, but that your product/service is a high priority to them so they must act now.

Online marketing is a growing and effective means for getting your message to your target audiences. Social media such as Facebook, Twitter and LinkedIn are robust visual forums where you can tout your products/services often and within a "warm" market environment. Consider a website—it's the new "storefront" for rural entrepreneurs! This is where you can drive potential customers for current information, feature shopping carts to purchase or place orders from you online, and to recruit new staff. Especially valuable for business owners in a rural setting is the use of monthly newsletters to stay in touch with your audience and to remain top-of-mind to them. Utilize the principles of SEO (search engine optimization) by creating your website using words and phrases that relate directly to your product or service offering. (These are called meta-tags) A great way to get your website a higher ranking, thus appear closer to the top in a Google search is to link your website to "white glove" sites. These websites can be educational sites, universities, government organizations, or other highly credible websites within your industry and with relevance to your offering.

Financial Information

As you read through this section, you do not need to start writing down numbers. To start, it will be helpful to just read and think about the information that you will need to include. You should

also be aware that this is the most technical aspect of your plan. There may be words or ideas that are brand new to you. That's okay! The information is customized for rural entrepreneurs. Even if numbers and equations can be confusing to you sometimes, you will still be able to put together a great financial information section.

There are two purposes for the financial information section. One, it will give you something you can use to compare how your business is doing in real life to how you thought your business would perform before you started. This information is incredibly powerful! It will help you make decisions that will make your business more likely to be successful and sustainable.

The second reason for the financial information section is to help convince people to give you funding when you are starting your business, or, when you may need an infusion of cash. Of course, if you are not asking for funding from others, then you will only need to include some of the information discussed below.

Summary of Financial Needs

This is where you explain **why** you are asking for funding, and **how much** you need. There are three primary uses for funding, and you will want to explain which type you are requesting:

- Working capital: a fancy term for money that you need in the short-term to pay your bills until you receive the money you will get from selling your product or service
- Growth capital: money that you will use to increase the number of things you sell, services you offer, or to increase the number of possible customers
- Equity capital: money you will use in the long-term. In exchange for money, the person giving you the funding will become a part-owner and sometimes an advisor for your business

If your solar panel business wants \$6,000 for tools to improve your installations, you would say it is working capital to help you install faster.

Loan Fund Dispersal Statement

This sounds complicated but do not be intimidated! This section describes specifically **what** you will use the funding for.

For your solar panel business, \$6,000 would be split into \$4,000 to buy a Super-duper Tool 5000 and \$2,000 to buy an Adjustable Place Perfector.

Cash Flow Statement

This is one of the most important pieces of information to help you see when your business will have enough money to pay its bills and when there may be months where cash is tight.

If you are requesting funding from someone else, then you will need to include these sections in your business plan

Cash flow is just a special term for the periods you are earning money and the periods you are spending money. Let's say you have \$1,000. You need to spend \$3,000 next month to create a new feature on your dating website, but people won't be able to sign up for the new feature (and can't pay you for the new feature) until three months from now. When they do, you will earn \$5,000. This means that you have a cash flow problem because you need to spend more money next month than you have, even though you will eventually make more money, in three months.

A cash flow statement is the same as a budget that considers each month separately. You can't spend all of your paycheck in Week 1, if you know that you will be getting your phone bill in Week 2 when you won't have any money left to pay for it. So your cash flow statement will help you make sure that you have enough money to pay all of your bills. That helps you earn a profit.

What information is important for rural entrepreneurs to include in the cash flow statement?

- The amount of money you think you will earn every month from sales
- The money you expect to spend every month buying supplies
- The expenses that change monthly (you only pay taxes in some months and not others)
- The expenses that essentially stay the same every month (such as rent and salaries)

For a new business, it will require a lot of research to figure out accurate estimates. If you run your dating website for single farmers, perhaps your electricity bill will be a lot higher than you think because of all of the electricity the computers need all day, every day.

It is much better to overestimate your expenses and underestimate your earnings.

You will find some great worksheets at the end of this document. Look for "Tools for Success"

Quarterly Budget Analysis

Just as the calendar year is divided into four seasons, the business year is divided into four quarters. Usually the 1st Quarter is January through March, the 2nd Quarter is April through June, the 3rd Quarter is July through September, and the 4th Quarter is October through December.

The quarterly budget analysis is a great way for you to stay on top of your budget and to see how your business is performing compared to what you expected. Every quarter, write down what you budgeted for each item and then write down what you actually earned or spent for those items. Then you can see if there is a difference between the expectations and reality.

EARNINGS ANALYSIS		
Source of Earnings	Budget	Actual
Online Sales	\$12,000	\$9,122
Store Sales	\$5,000	\$11,441
+/- Budget		\$3,563 over

EXPENSE ANALYSIS		
Expense	Budget	Actual
Rent	\$3,250	\$3,250
Utilities	\$980	\$900
Insurance	\$475	\$475
Office Cake	\$50	\$42.44
Staples	\$12	\$15.12
+/- Budget		\$84.44 under

What is great is that your cash flow statement already has your budgeted/expected numbers. All you will have to do is write down the actual expenses and earnings for each item after each quarter. With that information, you will be able to make the best decisions about what to change.

Break-Even Analysis

When starting your new business, it will be helpful to know when you plan to break even – the point where you are earning enough to pay for all of your costs but not enough for profit. In the beginning, you are only spending money and won't earn anything until your customers start buying. It may take 6 months to break even or maybe 2 years. It will depend upon how much you spend to start your business and how quickly your customers learn about you and start buying. It will also depend upon how profitable your pricing structure is compared to your costs.

As mentioned earlier, new rural businesses can sometimes have a smaller tolerance for error, so knowing when you might break even will help you plan accordingly. We are going to focus on the easiest way to figure it out. Do not be afraid of what looks like a scary equation. You will simply put the numbers in their correct spot and then a quick use of the calculator will tell you.

It is important to think about how much time you think it will take to reach break-even. If you think it will take a year, then your chosen time period for the equation will be a year

Break-Even = How much you need to sell during a chosen time period to break even

A = How much you expect to spend that won't change during that period (rent, for example)

D = How much you expect to spend that will change during that period (gasoline, for example)

E = How much you expect to sell during your chosen time period (if it is a year, then this will be how much money you will get from customers during a year – see Cash Flow Analysis)

<u>How to find Break-Even</u>	<u>An Example of Finding Break-Even</u>
Find A, D, & E (Cash Flow Analysis)	A = \$2000, D = \$5000, E = \$15000
Use calculator to find C C = D ÷ E	C = \$5000 ÷ \$15000 So that means C = 1/3
Use calculator to find B B = 1 – C	B = 1 – 1/3 So that means B = 2/3
Use calculator to find Break-Even Break-Even = A ÷ B	Break-Even = \$2000 ÷ (2/3) So that means Break-Even = \$3000

In this example, you will break even when you have earned \$3000 from your sales.

Balance Sheet

This is something you will include in your business plan after you have been in business for a year. Remember, every year you should go back and update your business plan. A balance

sheet tells you what your business has and what your business needs to pay, at a given time.

Once your business has been in operation, the balance sheet gives you an indication of your business's "health." It is possible to make a profit when you have loans, by only paying the interest every month. Your cash flow analysis will tell you if you are making a profit. The balance sheet, on the other hand, says that you own a certain amount of cash, property, equipment and unsold products. It also says that you owe a certain amount of money in loans. A "healthy" business owns more than it owes so be sure to use balance sheets often.

Profit/Loss Statement

Like a balance sheet, your profit/loss statement will be something you use after you have started your business. Usually it is calculated at the end of every year. If a balance sheet is a snapshot of specific day, then the profit/loss statement is the image for the year. It will tell you what you earned money from and what costs you had during the year. So if you sell different products or services, you separate how much money you made for each of them. Separate how much you spent on different costs like rent, salaries, and equipment.

Congratulations! You can now relax. Those are the most important financial elements for your business plan. Hopefully you read through this section first, before you started using any numbers. When you start writing your business plan, you'll be able to consider the details more closely.



Supporting Documents

These are documents that are referenced in your business plan but that you did not have room to include in an earlier section. Some of these items may not be relevant to you. For example, it is important that lenders or investors know the terms of your lease agreement if you have office space you are renting, so you would include that here. However, if you are operating your business from home, then you do not have a lease agreement.

Some of the supporting documents you will probably want to include in your business plan:

- Personal Resume **if you are requesting funding*
 - This document confirms descriptions of your experience and why you think you will succeed with your business. The resume should include sections for: work history, education, professional groups/honors, and any special skills
 - If you have business partners or joint-owners, include their resumes too
- Owner's Financial Statement **if you are requesting funding*
 - Your personal financial statement shows lenders/investors how you manage your money so they can decide if they will give you theirs. Include annual income and expenses. You might need a report of your credit (FICO) score
- Lease or rental agreement for office space
- References

- Letters from former colleagues who recommend your business skills
- Contracts
 - If you have business contracts already (loans, purchase agreements, etc.)
- Legal Documents
 - If you have legal documents already, include them. If you don't have any yet, add them to your business plan after you receive them, such as articles of incorporation, business licenses, partnership agreements, vehicle titles, etc.
- Miscellaneous Documents
 - These are documents you have used to help you create your business plan but that would not fit into any of the other “Supporting Document” categories.
 - This can be customer research, local demographics, sample marketing, etc.

Write Your Business Plan and Start Your Business!

How Do You Put Your Business Plan Together?

Are you ready to get started? You now know what information you might need to include in your business plan so let's look at how you should write it!

Here's the order you should follow for putting your business plan together:

1. Write your Organization Plan and Marketing Plan first.
2. Using that information (and your background research), finish your financial information next. After you have checked all of your calculations and made any changes to your organization plan, marketing plan or financial information, write the Executive Summary.

Let's consider an example. For chicken coop solar panels, let's say you wrote in your marketing plan that your potential customers live in Lincoln County. Your research tells you there are 500 farms with chicken coops in Lincoln County. Therefore, you decide that you can sell 50 solar panels for those chicken coops in the first 6 months. You should not first decide that you want to sell 50 solar panels and then later figure out where to sell them (and how many farms are there)!

Figuring out financials for a new business involves some guesswork, which is why you must do your homework. It is also important to record why you chose the numbers that you did. If you say you will sell 50 solar panels in the first 6 months, you should note why you chose 50 (instead of 25 or 75). Include that note in a list of assumptions at the end of your financial information section. After your first 6 months, see if you sold more or less than 50, so you can adjust future business decisions. Stable businesses grow about 5% per year, excluding dramatic events.

Once you start writing your business plan, you want to use short paragraphs (3-5 lines of text). If your paragraphs are longer than that, someone might not be as interested in reading all of the information that you have spent so much time putting together. If you are bringing your business plan to someone to ask for funding, usually it should not be longer than 30 pages.

Here is a sample outline that you can use when writing your business plan, with separate sections

Section	What to Include
Cover Sheet & Table of Contents	Business name and contact information and your name and contact information
Executive Summary	Short summary of who you are, the business you are starting, the goals of your business and why your business is likely to be successful
Organization Plan	A description of your business model and the products/services you will offer, the administrative organization of your business, and descriptions of your competitors and how your business will distinguish itself
Marketing Plan	Details about your target customers, pricing strategy and plans to spread the word about your business
Financial Information	Some or all of the documents listed above, depending on your business
Supporting Documents	Documents that reinforce the information mentioned in the business plan

Tax Considerations

Although you may wish you did not have to think about your taxes, you cannot avoid it! In the end, you will be glad you did because planning ahead is one of the hallmarks of a successful business. Otherwise, you may find yourself hit with taxes when you aren't prepared.

You can certainly receive help from a tax professional to sort through all of the terms and numbers the IRS requires. It is also possible to do some of the work on your own, especially as you write your business plan. The IRS website has many helpful forms for planning ahead. You can also call and they will send you the forms you want. The Schedule C (Form 1040) is critical for businesses with a single owner. You should also request a calendar of your tax deadlines.

Find The Money You Need To Start Your Business



By now, you realize not only how important a business plan is, but also how helpful it can be to make your business successful. When it comes to finding money to help start your business (if you can't or won't pay for all of it on your own), the business plan is both essential and very helpful. It will help convince the bank/SBA/investors/friends why you are worth the risk and how your business will be successful so they get their money back plus interest. It is a win-win!

If you are asking a bank or the SBA for a loan or if you are asking for an investment from people who will be part-owners of your business, then your business plan might need the following:

- You (and your partners) could be asked to show credit scores, a list of your assets, copies of personal tax returns, and/or what you will use as collateral (see definition page 5).

The bank/SBA or investors will also want to see the following information in your business plan:

- Proof that people want or need the product or service your business will provide. You can ask people in your target market (not friends/family) and write down what they say
 - You will also need to explain what is unique about your business so that you are not doing the exact same thing that another business is doing.
- What your management team will be like (if there are other managers than you). So many businesses fail due to poor management so you'll explain why you have strong managers
- People that give you funding will do their research to see if you are likely to earn as much money as you say and have as few costs as you say. They will compare your financial estimates to other companies in your industry.
- Do you know who your target customers are? How much do you know about them and why they would buy what you are selling? How do you plan to let them know about what you are selling? How will you convince them your business is better than competitors?

Note, that if you are asking for funding from an investor, they will usually want to own part of your business and act as an advisor to ensure that your business is successful.

What are some of the sources for funding? You can consider one or more of the following:

- Bootstrapping
 - If you plan on financing your business with your own money, without taking any loans, then you will have the most flexibility but also the greatest risk
- Friends or relatives
 - This is very common for small businesses, but you will want to make sure that your friends and relatives read your business plan so they are fully aware of the risks they are taking. There is no guarantee your new business will be successful. You do not want to damage your relationships if friends do not fully understand!
- Angel Programs, Foundations, Community Development Initiatives
 - These funding sources are designed to provide favorable loans or small gifts for small business that qualify for the goals of the angel investors or charitable foundation or a community development initiative. You can research these online
- Traditional Lenders
 - These include banks, private loan officers, and commercial finance companies. They tend to do thorough research to minimize the risk that your business will not be able to pay them back. You will be asked for a lot of information and they will base their decision on your business plan so you want to make sure your business plan is top-notch. You will also need to offer significant collateral promises
- SBA Funding
 - The SBA (Small Business Administration) offers a variety of options, such as government-approved loans from banks according to SBA terms, and venture capital through organizations that are called Small Business Investment Companies
- Venture Capital (Equity Investors is another term you will hear for this)
 - If you are willing to give investors a share of your business (and therefore a share of the profits), then you can gain access to venture capital funding.

When You've Started Your Business!

Congratulations! You are now an entrepreneur and have started your business. By now, you know how important the business plan was to help you get started, make sure you were prepared, and to plan for success instead of just hoping for it! You may think you're done... **NOT TRUE!**

This is NOT the time to put your business plan in the archives. You will want to update your business plan every business quarter or every year as your business changes. You may change the structure or business model; or you may find that you need to change what you offer or your customer base; or you may need to adapt to technology. Remember, the business plan will be one of the most important tools to plan for success and make the best decisions for your business.

The business that operates by the seat of its pants will probably end up with torn pants

Resources/Tools For Success

It is crucial to find mentors that can advise you and provide both emotional and intellectual support. Ideally, they will be people who have started a business of their own. You don't have to know them well. Maybe you met them today at the 2013 CO Entrepreneurship Marketplace.

In the next few pages, you will find these worksheets (print and make copies of them) that will help you both when you are writing your business plan AND while you operate your business:

Marketing Your New Business
Cash to be Paid Out

Sources of Cash
Cash Flow Statement

Here are some resources that you might consider using as you develop your new business

Colorado Business Express –HQ for the new business papers you will file with the state

<http://www.colorado.gov/apps/jboss/cbe//>

CO Small Business Development Center

<http://www.coloradosbdc.org/>

State Agriculture and Rural Leaders

<http://www.agandrurallleaders.org/>

Successful Rural Entrepreneur Stories

<http://www.energizingentrepreneurs.org>

Business USA – A one stop shop

<http://business.usa.gov>

Small Business Administration – Great resources and online business plan guide

<http://www.sba.gov>



Bplans – Online sample business plans and business planning advice
www.bplans.com

Score – A prominent non-profit helping small business get off the ground
<http://www.score.org/resources/tab-a>

To research the industry for your new business (for example, the clean energy industry for the solar panels business and Information Technology, IT, for the online dating site)
<http://www.marketresearch.com/> <http://www.census.gov/#>
<http://www.hoovers.com/> <http://bea.gov/>
<http://www.freedoniagroup.com/>

Next Steps

Now that your business plan is written, proofread and ready to go, it's time to use it to raise the money you need, file the relevant government documents, hire the employees you need, and buy the necessary equipment. Your business plan gives you the confidence and **a blueprint for action**. Now stick to the plan and make your dreams come true!



www.icastusa.org

MARKETING YOUR NEW BUSINESS

Research Your Market

What data can you find about your community? Population, demographics, avg. income, etc. For online business, how many competitors? How many customers?



Identify Your Customers

List 5 characteristics of your ideal customer (anything relevant to what you're selling)

Possible Marketing Tactics. What Works Best For Your Business?

Website and/or Blog

- » Creating a website is easier than you think! Try Weebly or Moonfruit. Consider Search Engine Optimization (SEO) to make it easy to find your website
- » A blog is like a newsletter online but only one story at a time. Write 2-3x per week. Try Wordpress.com
- » Mailchimp is great for email marketing

Social Media

- » Millions of people use social media every day so this is a good way to reach many customers. Try Facebook, Instagram, Twitter, and/or LinkedIn
- » There are also great online forums like Etsy or Ebay if you sell products online

For every marketing action, ask yourself:

- 1. Will this reach my target audience?** (if they don't use the internet, they won't see blogs)
- 2. Is this something my target audience will relate to?** (Young students won't get tax jokes)

"Physical" Marketing

- » There are many ways to market your business in the local community
- » You can put marketing magnets on your car, host a booth at local events/fairs, put flyers/coupons on the church bulletin
- » You want your materials to look good so try Fiverr.com for cheap design help

"Sticky" Marketing

- » Sticky marketing is anything unique that people will notice and remember
- » You can use Ring Ring LLC to come up with a catchy phone number
- » Competitions related to your business can be a great way to generate buzz

CASH TO BE PAID OUT WORKSHEET

Business Name: _____

Time Period: _____ to _____

1. Start-Up Admin Costs	\$ _____
Business License	\$ _____
Corporation Filing	\$ _____
Legal Fees	\$ _____
Accountant Software	
or Retainer Fee	\$ _____
Other start-up admin costs:	
a.	\$ _____
b.	\$ _____
c.	\$ _____
2. Inventory Purchases (goods you will resell):	\$ _____
Finished products for resale	\$ _____
Raw materials for production	\$ _____
3. Variable Expenses (this will can vary for different industries. It may include: tools, permits, auto costs, marketing/ads, travel, contract labor, etc.)	\$ _____
a.	\$ _____
b.	\$ _____
c.	\$ _____
d.	\$ _____
e.	\$ _____
Miscellaneous	\$ _____
4. Fixed Expenses (again, this depends on your industry)	\$ _____
Rent/Utilities	\$ _____
Salaries/Wages	\$ _____
Insurance	\$ _____
a.	\$ _____
b.	\$ _____
c.	\$ _____
5. Assets (Long-Term Purchases like machines/furniture)	\$ _____
6. Liabilities (Loans, debts, etc.)	\$ _____
7. Owner Equity (The payment for owner's salary)	\$ _____
Total Cash to Be Paid Out During Time Period	\$ _____

SOURCES OF CASH WORKSHEET

Business Name: _____

Time Period: _____ to _____

1. Cash on Hand	\$ _____
2. Sales (Revenues)	
Sales	\$ _____
Service Income	\$ _____
Deposits on Sales/Services	\$ _____
Collections on Accounts Receivable	\$ _____
3. Miscellaneous Income	
Interest Income	\$ _____
Payments to be Received on Loans	\$ _____
4. Sale of Long-Term Assets (things like property)	\$ _____
5. Liabilities (again, this depends on your industry)	
Funding from Loans (Banks, SBA, etc.)	\$ _____
6. Equity	
Owner Investments (Sole proprietor/partnership)	\$ _____
Contributed Capital (Corporation)	\$ _____
Venture Capital	\$ _____
Total Cash Available	
	A. Without Sales \$ _____
	B. With Sales \$ _____

Funding in part provided by EDA

