

Business Plan Workbook #1	
Course	Start Your Dream
Topics Addressed	Rewards of Entrepreneurship Common Challenges Entrepreneurs Face Traits of Successful Entrepreneurs Am I Ready?

## Key Points

### Rewards of Entrepreneurship

Rewards are the benefits that come from owning a business. They are also the things that motivate people to become entrepreneurs.

Some rewards of entrepreneurship are:

- **Freedom and financial independence** – entrepreneurs are often motivated by the idea of being their own boss
- **Personal achievement and pride** – starting a successful business is a real accomplishment
- **The ability to create a legacy** – many entrepreneurs are motivated by the thought of building a business they can bequeath to their children
- **The ability to create opportunities for others** – entrepreneurs create jobs and other economic opportunities
- **The reward of helping other women** – often women entrepreneurs choose to share their knowledge with other women

### Common Challenges Entrepreneurs Face

Every business is going to have its ups and its downs, and you will face challenges. At times, it may feel like these challenges are blocking your path to success – but preparation can help you overcome the challenges of entrepreneurship.

Some common challenges that entrepreneurs face are:

- **Financial challenges** – entrepreneurs have to deal with expenses and other financial risks that are part of building a business
- **The risk of taking on too much** – entrepreneurs sometimes try to do everything themselves
- **The fear of failure** – entrepreneurs are often afraid that their business will fail
- **Difficulties achieving work/life balance** – entrepreneurs often struggle to balance their work responsibilities with their personal responsibilities

## **Traits of Successful Entrepreneurs**

Entrepreneurs have some distinct traits or characteristics that help them face the challenges of starting and running a business.

Generally speaking, entrepreneurs:

- Believe in their talents
- Are persistent
- Have a desire to create something of their own
- Want responsibility
- Like individual expression and freedom in the work environment
- Are hard working
- Can communicate effectively with others
- Can make decisions and live with the consequences
- Can accept that not everything is going to work out as planned
- Can take risks and can accept the possibility of losing money, time, or other resources
- Can accept uncertainty – and can accept the fact that things are not always well defined
- Can accept help and support from other people
- Have a network of people who will support their decision to start a business
- Are independent (Make their own decisions)
- Have confidence in the decisions they make
- Can be patient during hard times when they are working towards a goal
- Have a vision
- Know what they want and can focus on achieving their dreams
- Are creative
- Are able to act quickly
- Are not afraid to make quick decisions when necessary
- Are always on the lookout for new ways of doing things

## **Am I Ready?**

Writing a business plan is one of the best things you can do to explore your dream and plan out the details of your business idea.

You may want to consider:

- Talking to fellow DreamBuilder participants and accomplished entrepreneurs
- Visiting non-profit and/or government organizations that support entrepreneurs

**Related Business Plan Questions**

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When you're ready to start working on your business plan, return to the course, and select "Open My Business Plan".

Q: Explain why you want to you have your own business.

Q: List the things you must have in place in your business environment to successfully operate your business. This might include things like family commitment, outside support networks, personal energy, flexibility and commitment, a clear vision, etc.

Q: If you currently have a business, how long have you been running it? If you have not started a business yet, what steps have you taken in starting it?

Business Plan Workbook #2	
Course	Exploring Your Dream
Topics Addressed	Internal vs. External Sources of Inspiration Sharing Your Idea

## Key Points

### Where Do Business Ideas Come From?

Finding business opportunities is all about trying to identify a specific need that a product or service could meet. So think about your everyday life...

- Are there any products or services that are currently unavailable in your community?
- Are there problems or challenges that you face **because** of a missing product or service?
- Could an existing product or service that you use be improved upon in some way?

Think about the things you're good at and the things you enjoy doing.

- Do you have a skill that you could build a business around?
- Do you have an interest or a hobby that could be the basis for a business?

### Sharing Your Idea

Once you've identified a possible idea for a business, you'll want to share it with some people that you know and trust, to make sure it's a good one.

Explain the idea to them, and ask them to share their feedback and opinions. It's important that you ask them to be honest with you about your idea. If you have a product, you may want to think about making a sample they can try.

### Sharing Your Idea With People You Don't Know Very Well

If you get good feedback from people you know and trust you may want to share your idea with a few people you don't know very well. After all, these people may be the ones who are buying your products or services someday, so they'll probably be able to provide you with some useful feedback.

Don't worry if you don't get great reviews at first. It's important to get honest opinions in the beginning when you can easily make changes to your idea. Use this time to learn. Think seriously about the feedback you receive and really sort out the details of your idea.

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Q: Describe how you tested your business idea with other people.

*NOTE: If you haven't already tested your business idea, you can talk about how you plan to test it out in the future.*

Q: Describe the feedback you received when you shared your business idea with other people. List both the good and bad feedback.



Business Plan Workbook #3	
Course	Exploring Your Dream
Topics Addressed	What is a Customer? What is a Competitor?

## Key Points

### What is a Customer?

A customer is a person who buys products or services. The success of your business will depend on finding and pleasing customers.

### Why Should You Think About Your Customers?

You may not know all of your customers by name, but you do need to think about the type of people who buy your product or service, so that you can identify the group of customers that your product or service appeals to.

### Keeping Your Customers Happy

Without customers, your business would not exist, so you want to do everything you can to make sure that your customers keep coming back.

Customers who continue to buy your products or services are called “repeat customers”.

Repeat customers are important because they already know about your products or service. And they can provide useful feedback that you can use to improve your products or services.

### What is a Competitor?

In business, anyone who sells the same products or services is a competitor, because you are competing against them for customers and sales.

### Direct and Indirect Competition

There are two different kinds of competitors: direct competitors and indirect competitors.

Direct competitors are the people or businesses that you openly compete against, because they sell the same product or service.

Indirect competitors are people or businesses that sell a substitute product or service – the substitute is not the same as the product or service that you are selling, but it serves the same purpose or addresses the same need.

### **Are Competitors a Threat?**

Competitors aren't necessarily a threat to your business, as long as you can figure out how you're going to make your product or service stand out from the competition. In other words, you need to figure out what you're going to do **differently** than the people who are already selling the same product or service. In business terms, this is called differentiation.

If you can't differentiate yourself from the competition, you may not have enough customers to support your business.

### **Competitor Strengths and Weaknesses**

Before you can figure out what you're going to do **differently** than your competition, you need to make sure you **understand** what your competitors are doing. You need to research your competitors to find out what they're doing well, what they're **not** doing well, and in some cases, what they're not doing at all. You'll use this information to figure out how you can make your product or service stand out.

Start by looking at the kinds of products or services that your competitors are offering and try to determine if there's something that none of them are doing. You can also consider things like customer service, location, and convenience.

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Q: Identify the companies or organizations that are currently offering similar products or services to your products or services. Remember to include both direct and indirect competitors.

Q: List the strengths and weaknesses of the competitors that you just identified.

Business Plan Workbook #4	
Course	Exploring Your Dream
Topics Addressed	Market Research

## Key Points

### Market Research

It is important to gather and analyze information about your target market. When you identify your customers and investigate your competitors it is called “market research”.

You can start by paying attention to what’s around you:

- Look closely at the different stores and businesses in your community
- Talk to your family, friends, and co-workers and ask them questions
- Pay attention to what you see on TV or hear on the radio
- Do some research online to learn about different companies that offer similar products or services

### Identifying Your Market

A “market” consists of all of the customers who have a need for your product or service, and might buy it at some point in time.

### Determining the Size of Your Market

Often, the local government or non-profit organizations will provide useful information about the number of people living or working in the area. This information can help you estimate the size your market.

You can also find useful information about the size of your market online, by performing a simple search. Just type the name of your city, town, or area into the search field, add a keyword, such as “demographics” or “population”, and hit enter to see what comes up.

### Market Research Never Stops

Even when you are successful, you should always be watching for new customers, new competitors and new opportunities.

**Related Business Plan Questions**

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Q: Describe the characteristics of the industry that your business will be a part of. List any current trends within this industry (size, is it shrinking or growing, number of people employed).

Q: Estimate how many customers there are in the market area that you wish to serve with your business. It does not have to be an exact number, just your best guess. Explain how you determined this estimate.

Q: Of the total customers in your market area, how many do you think your business will serve? You can give an estimated number of customers or a percentage of your total market estimate.



Business Plan Workbook #5	
Course	Making Your Dream
Topics Addressed	What Do I Need to Think About? The “What” Questions

## Key Points

### Types of Businesses

There are three different types of businesses:

- Product-based businesses
- Service-based businesses
- Combined product and service-based businesses

### Product-Based Businesses

If you make something that someone can buy and take home with them, then you can think of your business as a **product-based business**.

### Service-Based Businesses

If your customers are paying you to do things for them, then you are providing a service and you can think of your business as a **service-based business**.

### Combined Product and Service-Based Businesses

If you make some products, but you also provide a service, then your business is a **combined product and service-based business**.

### Think Through Each Step in Your Production or Delivery Process

Once you’ve identified the type of business you have, you can start thinking through the steps and activities that go into making your product or providing your service.

For a **product-based business**, you’ll need to think about the steps needed to make your product, the materials or ingredients that go into it, and whether you need help making your product. You’ll also need to think about any regulations that apply to your product.

For a **service-based business**, you’ll need to think about the different parts of the service and whether or not you’ll need help performing certain tasks.

You will also need to identify any certifications or licenses related to your service.

For a **combined product and service-based business**, you’ll need to think about the steps needed to make your product and the materials or ingredients that go into it.

You'll also need to think about the different parts of the service and any laws that are related to it. When you're considering whether or not you'll need help, you'll need to think about the product side of your business, and the service side.

#### **“What” Questions for Product-Based Businesses**

If you have a product-based business, you'll want to define the **type** of product or products that you make and sell. This is a two-step process. You'll start by listing all of your products. Then, you'll identify and describe the characteristics of each product in your list. The characteristics are the features that identify the product and make it unique.

Defining your product offering could be a case of defining a single product OR it could be a case of defining a variety of related products.

#### **“What” Questions for Service-Based Businesses**

If your business is a service-based business, you'll still need to define your products. The only difference is that your “products” won't be physical. Your products will be the services that you provide to customers.

You'll start by listing your services. Then, you'll define the characteristics of the service.

#### **“What” Questions for Combined Product and Service-Based Businesses**

If your business offers a **combination** of products and services, you'll use the same process to define the characteristics of your product and service offerings.

**Related Business Plan Questions**

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When you're ready to start working on your business plan, return to the course, and select "Open My Business Plan".

Q: In as much detail as you can, describe your current products or services. Be sure to identify the features that make your products or services unique. If you will be providing more than one product or service, describe the different kinds of products or services that you will be selling.

Q: Describe the need that you see your products or services addressing for your customer.

Q: Describe any ideas you have for new products or services that you might offer in the future and the need they address.

Business Plan Workbook #6	
Course	Making Your Dream
Topics Addressed	The “What” Questions

## Key Points

### Materials and Supplies

Once you’ve defined your product or service offerings, you can start thinking about the materials and supplies that you need to run your business.

### Raw Materials

If you make a product, you’ll want to think about the materials or ingredients that go into your product. These materials or ingredients are called “raw materials”.

If you were making clothing, the raw materials would be fabric, thread, buttons, zippers, and things like that. If you were making furniture, the raw materials would be wood, nails, varnish, and other things.

### Characteristics of Raw Materials

In your business plan, you will want write down all the raw materials that go into your products. Then, describe any special characteristics of those raw materials.

You’ll want to think about the raw materials you are using and how they help your products stand out from the competition.

### Supplies and Equipment

If you provide a service, you will want to think about any supplies or equipment you need to perform your service.

In your business plan, you will want to list any supplies or equipment that you need to perform your service, and explain how these supplies help make your service distinct.

**Related Business Plan Questions**

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When you're ready to start working on your business plan, return to the course, and select "Open My Business Plan".

Q: Write down and describe all of the supplies or raw materials you will need to properly operate your business.

Business Plan Workbook #7	
Course	Making Your Dream
Topics Addressed	The “Who” Questions

## Key Points

### Who Will Supply Your Raw Materials, Supplier, or Equipment?

The people who supply you with raw materials, supplies, or equipment are called “suppliers”. Suppliers have a big impact on your business because they help you find materials and supplies that have the special characteristics you need.

You need to find suppliers who can provide the **specific** materials or supplies you need to run your business. Once you find reliable suppliers, it’s in your best interest to develop a good working relationship with them.

### Developing Supplier Relationships

A strong supplier relationship benefits you and your supplier. Your suppliers benefit from the relationship, because they gain a reliable, repeat customer. You benefit, because you know you can depend on your suppliers to provide quality materials and supplies in a timely fashion.

### Ideas for Developing Supplier Relationships

Here are some ideas that you can use to develop strong relationships with your suppliers:

1. Pay your bills on time – like you, your suppliers want to get paid for the products or services they provide
2. Personalize the relationship – visit their offices or places of business and get to know them
3. Share information – keep your suppliers aware of what’s going on in your business so that they’re not caught off guard by any changes
4. Provide training opportunities – reduce their costs and yours by ensuring they have up-to-date training on your products and processes

### Who Will Sell Your Product or Service?

You can sell your products or services **directly**, or you can sell them **indirectly** with the help of a **distribution partner**.

When you sell your products or services directly, you are selling to the end consumer – in other words, you are selling directly to the person who is going to use the product or service.



When you sell your products or services indirectly, you are selling to another company – the company buys your product or service with the intention of selling it to an end user for a higher price. Companies that resell other people's products are sometimes referred to as "distribution partners".

**Related Business Plan Questions**

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When you're ready to start working on your business plan, return to the course, and select "Open My Business Plan".

**Q: ANSWER ONE OF THE FOLLOWING QUESTIONS:**

If you are selling to the end-user, where will your business be located?

OR

If you are selling to a business that will resell your products or services, write down a list of the partners that will be selling your product/service, and explain where they are located.

Q: Who are the vendors that you will buy your raw materials/supplies from, and where are they located?

Business Plan Workbook #8	
Course	Making Your Dream
Topics Addressed	The “Where” Questions

## Key Points

### Does Location Affect Your Business?

For some businesses, location can mean the difference between success and failure. But for other businesses, location is much less important than finding an affordable space.

To figure out if location is important to your business, you should think about how you interact with your customers.

Do your customers come to you? Or do you go to your customers?

If your customers **come to you**, location will probably affect your business. You will probably want to locate your business in a place that is convenient and accessible, so that customers don't have to go out of their way to find you.

If **you go to** your customers to sell your product or service, then location is not as important to the success of your business.

### Listen to Your Customers

If you're already running a business, your customers will be able to provide you with useful feedback about your location. You can use this feedback to determine if your location is helping or hurting your business.

### Starting At Home

Like many entrepreneurs, your business may start out as a home-based business. This works well while you're planning your business, and it may also work while you're in the first stage of launching your business. But, once your business is up and running, you may outgrow the ability to run your business from your home, or you may decide to move into a space that is more convenient for your customers.

In some cases, there may be laws that stop you from running your business from your home. So it's important that you understand the rules and regulations about what you can and can't do in your home.

**Where You Sell vs. Where You Make or Deliver**

When you're thinking about location you need to think about where you're going to make your products or deliver your services – the activities involved in selling a product or service and the activities involved in making it or providing it **don't** always occur in the same location.

**Related Business Plan Questions**

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When you're ready to start working on your business plan, return to the course, and select "Open My Business Plan".

Q: Describe in detail the location of your business. List the important factors in choosing this location.

Q: ANSWER ONE OR BOTH OF THESE QUESTIONS, depending on whether you are product-based, service-based, or a combination of both.

If you are a product-based business, describe where and how you produce your product.

AND/OR

If you offer a service, describe where and how you provide your service to your customers.

Q: Explain the role that transportation and delivery plays in your business. Explain how your suppliers will get the raw materials or supplies to you. Explain how you will deliver your products or service to your customers. Be sure to mention any special delivery services that you offer to your customers.



Business Plan Workbook #9	
Course	Marketing Your Dream
Topics Addressed	Why is Marketing Important? What is Your Target Market?

## Key Points

### What is Marketing?

Marketing is about reaching your customers and showing them why they should buy your product or service.

### Step 1: Describe Your Product or Service

The first step is to describe the product or service that you're selling in a clear and simple way. If people are confused by your message, or if they don't understand what your product or service is – they probably won't want to spend money on it.

### Step 2: Identify Your Target Market

After you've come up with a clear, simple message, you need to figure out **who** you're going to tell your story to.

You want to identify the group of customers that is most likely to buy from you. In business, this is called your target market.

Your target market is the group of customers on which you'll focus your storytelling efforts.

### How Do You Identify Your Target Market?

Start by looking at your overall market. Then, start to break your overall market down into smaller chunks. In business, these chunks are called “market segments”. Breaking your market into segments helps make the job of identifying your target market easier.

To break your market into segments, group customers based on the characteristics or features that they share. Then, think about whether or not these characteristics affect their decision to buy from you. This process allows you to identify the market segments that are most likely to buy your product or service.

Once you've identified the different market segments that are likely to buy your product or service, you group them together, and you end up with a new group of customers – a group of customers who are likely to buy your product or service. This is your target market – and it's the group of customers that you want to focus on, when you're telling the story of your business.

### **Customer Characteristics**

Customer characteristics are the unique features or traits that customers have. They include things like:

- Age
- Gender
- Relationship status
- Individual interests/preferences

You'll gain a better understanding of your target audience if you can identify the characteristics of the people who buy from you.

### **Your Ideal Customer**

Once you've identified the characteristics of the people who are most likely to buy your product or service, you can start to develop a profile of your ideal customer.

Your ideal customer is an imaginary customer that represents all of the characteristics you used to define your target market (i.e., that group of potential customers who are likely to buy your product or service).

**Related Business Plan Questions**

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When you're ready to start working on your business plan, return to the course, and select "Open My Business Plan".

Q: How old do you think most of your customers will be? You can give an age range (e.g.: 18 to 34) or a description (e.g.: teenagers, seniors, etc.) Describe any characteristics of your customers' age range.

Q: Will your customers be mostly women, mostly men, or mixed? Try to give a percentage or ratio of women to men (e.g.: 60% female customers, 40% male customers).

Q: Describe the characteristics of your customers' marital status. Will your customers be mostly married, single, divorced/separated, or widowed? If you can, estimate the percentages of each.

Q: Describe what kind of interests or preferences your customers might have. Try to give as much detail as you can.

Q: Describe where your customers come from. Where do they live?

Q: Where do your customers prefer to buy the types of products or services you are offering?



Q: When do your customers want to buy the types of products and services you are offering?

Business Plan Workbook #10	
Course	Marketing Your Dream
Topics Addressed	Make Your Products or Services Stand Out

## Key Points

### How Can You Make Your Products or Services Stand Out?

You need to spend some time thinking about what makes your product or service stand out from the competition. In other words, you need to think about what makes your product or service special.

There may be a lot of competitors trying to win over the same target group of customers – how are you going to convince customers to buy from you instead of your competition?

### Positioning Your Product or Service

This process of making your products and services stand out from the competition is called “positioning”. If you want to effectively market your product or service, you need to figure out how you’re going to position it in the overall market.

### Positioning Based on Price

You could decide to position your product or service based on its price. If you choose this option, you will need to think about how you are going to price your product or service **in relation to your competitors...**

### Positioning as the Lower Priced Item

You could decide that you want to sell your product or service at a lower price than your competition – in which case you would be positioning yourself as the low-priced company.

This can be a strong selling point, but it can be risky for new companies because if your price is much lower than the competition, you may not have enough profit built into your price to be able to cover unexpected expenses that come during start up. As well, your potential customers may assume that the quality of your product or service is low.

### Positioning as the Higher Priced Item

You could choose to sell your product or service at a higher price than the competition. If you take this route, you would want to highlight the quality of the product – so that your potential customers felt they were paying more for a better product. You would need to make sure that your target customer could afford to pay the price you are asking.

**Positioning Based on Convenience**

If your product or service makes your customers' lives easier, you could decide to position it based on convenience.

**Other Options for Positioning a Product or Service**

There are many different ways you can position a product or service. For example, you could position a product as being environmentally friendly or locally sourced. Take some time to consider the positioning that works best for you.

**What if Your Product or Service is Not Uniquely Positioned?**

Your product or service becomes a “me too” product or service, if it is not uniquely positioned. This means that it doesn't stand out from your competitors' products or services and customers don't have a reason to choose you over the competition.

**Related Business Plan Questions**

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When you're ready to start working on your business plan, return to the course, and select "Open My Business Plan".

Q: Describe the unique features that make your product or service different than others.

Q: How can you demonstrate to your customers that your product or service is different or better than the competition?

Business Plan Workbook #11	
Course	Marketing Your Dream
Topics Addressed	How Will People Identify Your Product or Service?

## Key Points

### Branding

A brand is a marker that allows people to identify your product or service. Because it helps identify your product, it also helps it stand out from the competition. A brand can be a name, a symbol, a phrase, a sign, or a design – in other words, it can be anything that visually represents your business and the things you sell. While a brand is often visual, it could be a sound, a song, or a specific smell.

### Branding vs. Positioning

Branding and positioning are equally important. Positioning is highlighting what makes your product or service special. Branding is what lets customers identify your product or service.

### What Else Does a Brand Do?

A brand is also a symbol of the promise that you're making to your customers. Your brand tells people they can expect a certain level of quality or value each time they see your product or service. They will come to associate your product or service with the mark that it bears – and they'll use that mark to identify your product or service from the competition.

### Developing a Brand

A brand can include a number of different elements, such as:

- Your business name
- Your logo
- A phrase or tagline
- A specific color
- A particular shape or picture

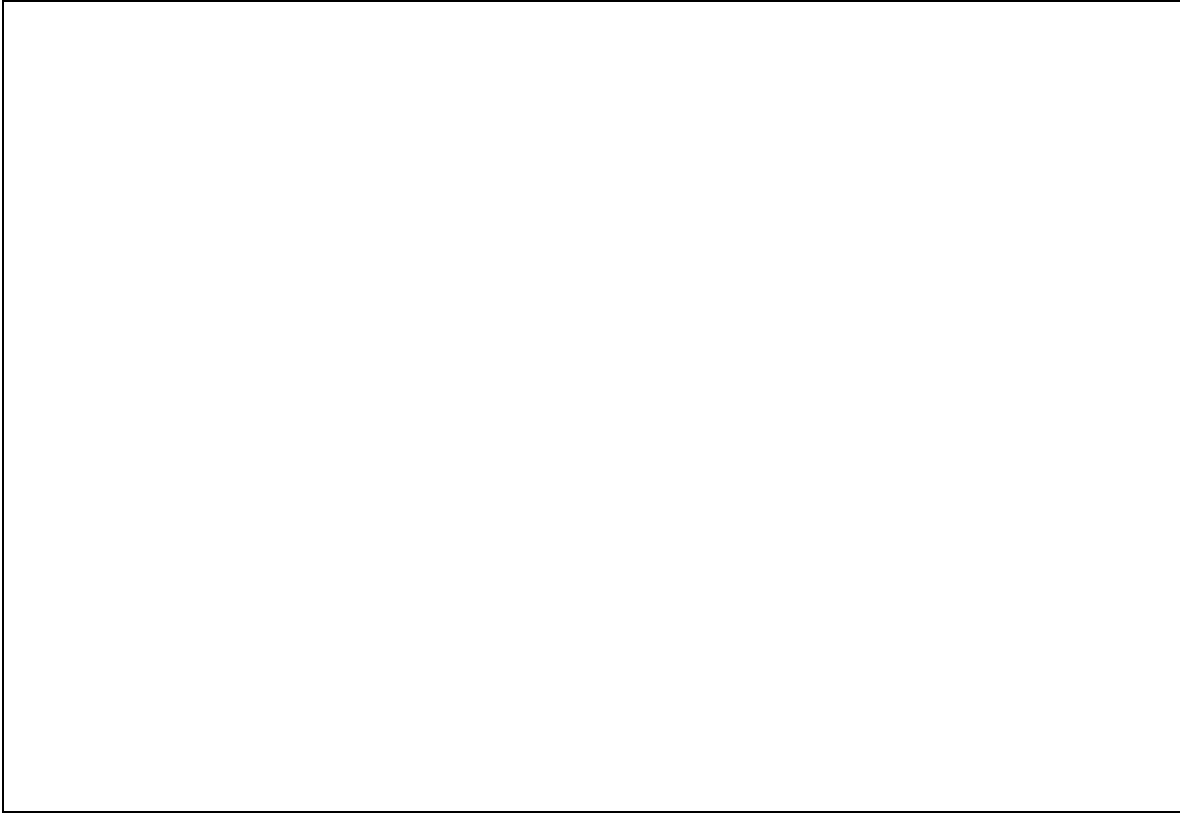
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When you're ready to start working on your business plan, return to the course, and select "Open My Business Plan".

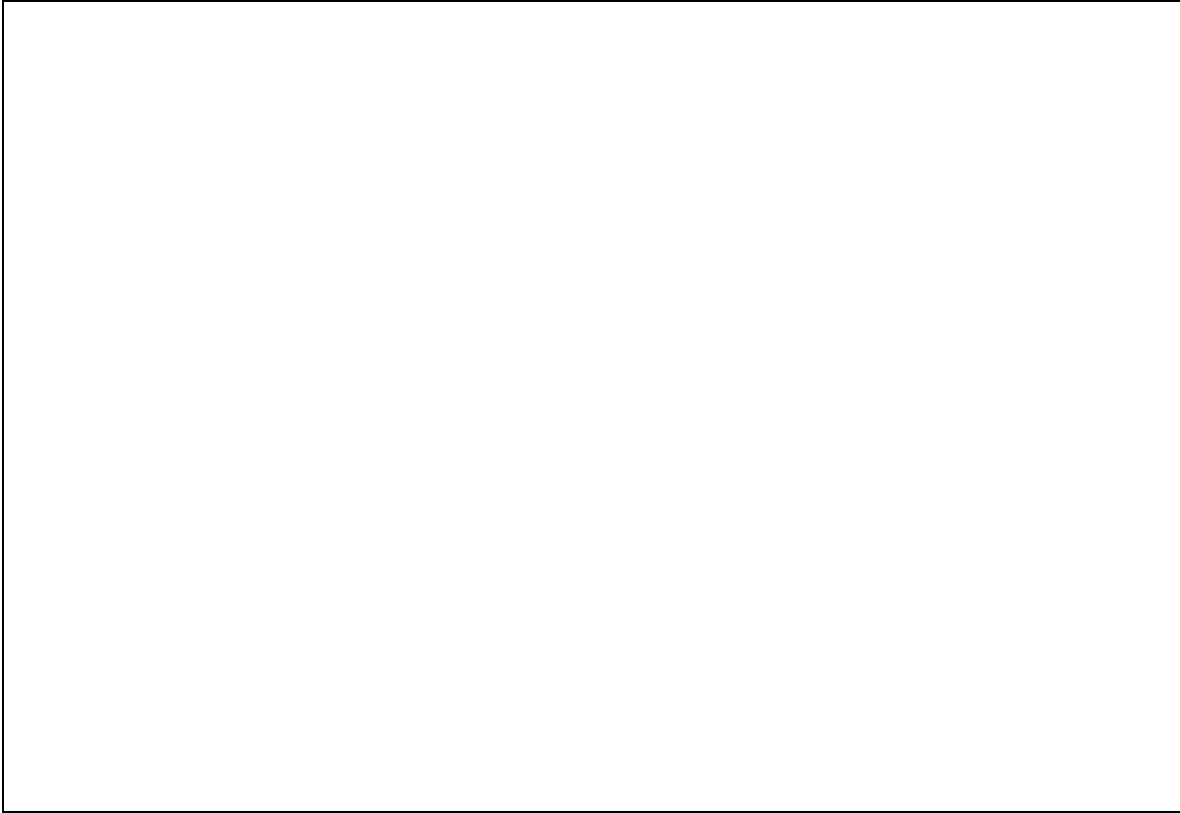
Q: What type of "personality" does your business have, and how will this personality help differentiate it from others?

Q: How do you want your customers to feel about your brand?

A large, empty rectangular box with a thin black border, intended for a handwritten or typed response to the question above.



Q: Do you have a logo or a slogan? Describe your logo or slogan.

A large, empty rectangular box with a thin black border, intended for a user to draw or describe a logo or slogan.

Q: If you are producing a product, how do you plan to package it?

Q: How will your packaging reflect your brand, and how will it fit into your marketing effort?

Business Plan Workbook #12	
Course	Marketing Your Dream
Topics Addressed	Craft Your Elevator Speech

## Key Points

### What is an Elevator Speech?

An elevator speech is a summary of your business that you should be able to deliver in the time it takes to ride an elevator in a tall building.

Sometimes, an elevator speech is referred to as a “30 second commercial”, because you want to be able to summarize your business in **less than a minute**.

### A Formula For Writing Your Elevator Speech

You need to remember to describe the customers your product or service appeals to, the opportunity or need that it addresses, the key benefits that it presents, and the reasons why a customer would choose to buy it – in a very short amount of time.

Here is a formula you can use:

**My business**, [Write the name of your business], **serves** [Describe the type of customers your business serves], **by** [explain how your business serves these customers].

**My** [Write the name of your products or services] **are** [Describe what the products or services are and the category that they belong to] **that** [Describe the key benefits of your products or services]. **They are different from the competition because** [Explain how your products or services are different and why customers should buy them].

**Related Business Plan Questions**

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When you're ready to start working on your business plan, return to the course, and select "Open My Business Plan".

Q: What is the name of your business?

Q: What is your idea for your business? (What products or services will you offer, etc.)

Q: In three sentences or less, describe your products or services and explain why your products or services are better than those of your competition.

Business Plan Workbook #13	
Course	Marketing Your Dream
Topics Addressed	Sharing Your Story Through Advertising Digital Marketing

## Key Points

### Advertising

Advertising is a form of communication. It's used to convince a target audience to buy a product or service. It's one of the best ways to get your story out to potential customers.

Advertising can be effective if it's done correctly and you're reaching the right people.

### Rules for Advertising

There are a few simple rules that you should follow, when you're developing advertising materials:

- Keep your message simple
- Keep your brand and your target market in mind, and
- Be consistent with what you say

### Two Basic Categories of Advertising

There are two basic categories: Paid advertising and unpaid advertising

Paid advertising refers to all of the formal marketing materials that you spend money on. It includes things like business cards, signs, television ads, pay per click advertising, and websites.

Unpaid advertising refers to more informal marketing materials that you don't have to spend money on. It includes things like word of mouth advertising and online reviews from customers, and free social media. This form of advertising occurs when customers are really happy with your product or service, and they recommend it to other people.

### Attracting Customers

Sales promotions are a great way to attract customers to your business. Holding a special sale or hosting an event at your business can motivate potential customers to come investigate your products or services. Coupons are another way to get people in the door. Once you get customers through the door, you may want to consider giving them free samples of your product or service – if customers have a chance to experience your product or service, they may be more inclined to buy it.



## **Digital Marketing**

Digital marketing makes use of electronic devices like computers, tablets, and smartphones to communicate with customers and stakeholders.

There are many different forms of digital marketing, and many different tools that you can use, but we're going to focus on three specific forms – websites, social media, and online reviews.

### **Websites**

A website is a cost-effective way to share your story and create awareness about your business.

You can use your website to:

- Share promotional information and activities
- Keep in touch with existing customers
- Provide information about your products or services, and
- Help people locate your business

Choosing an effective domain name and creating a website is very important, so you may want to consider getting some outside help. A nearby community college or university may be able to provide you with some assistance. Local business associations or non-profits may also be able to provide guidance.

### **Social Media**

Social media sites like Facebook and Twitter can help you reach people who already have an interest in your product or service.

They can also help you communicate with your current customers, and keep them informed about special promotions or upcoming sales. While social media sites are useful communication tools, they should not replace face-to-face communication. When it comes to building and maintaining customer relationships, face-to-face communication is the most powerful tool you have!

### **Online Reviews**

There are many websites that allow customers to review a business, service, or product. Websites like Amazon.com, Yelp.com, and TripAdvisor.com are examples of these types of sites. Good (or bad) reviews on these sites can make a big impact on your business.

You should check these sites regularly, to see if your business is showing up. You can gain valuable information about how your business is regarded by customers, and you may even discover some ways that you can improve your product or service.

**Related Business Plan Questions**

Below, you will see a list of business plan questions related to the topics noted above. If you print this worksheet, you can use the space below each question to write down some initial thoughts and ideas.

When you're ready to start working on your business plan, return to the course, and select "Open My Business Plan".

Q: Describe the types of paid advertising that you plan to use (tv, web ads, newspapers, etc.).

Q: What forms of unpaid advertising will you use (word of mouth, press releases, social media, online reviews)?

Q: Describe how you will provide samples or demonstrations of your product or service to prospective customers.

Q: Describe how you intend to use, update, and maintain digital marketing in your business.

## Business Plan Workbook #14

Course	Pricing Your Dream
Topics Addressed	Understanding Value

### Key Points

#### Willingness to Pay

Choosing appropriate prices for your products or services is extremely important.

If you choose a price that is too low, you may not be able to recover your costs and if you set a price that's too high, your potential customers may not be able to afford your product or service. In either case, you could go out of business.

You need to discover what your target customers are willing to pay for the products or services you provide.

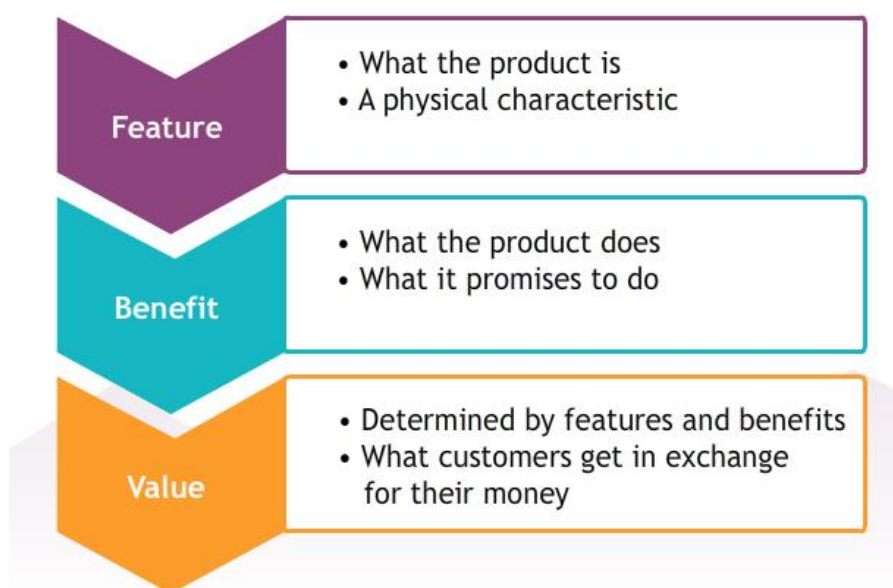
#### What is Value?

The real trick to pricing is to understand the value your customers place on your product or service. "Value" is a very important concept.

Price is what customers **pay**, but value is what customers **get**. Value is the benefit that the customers receive in exchange for the money they spend.

#### What Are Features and Benefits?

The following chart shows the distinctions between features, benefits, and value:



**Related Business Plan Question**

Below, you will see a business plan question related to the topics noted above. If you print this worksheet, you can use the space below the question to write down some initial thoughts and ideas.

When you're ready to start working on your business plan, return to the course, and select "Open My Business Plan".

Q: What unique value will your product or service provide to your customers?  
Why would this unique value make them more likely to buy your product or service?

Business Plan Workbook #15	
Course	Pricing Your Dream
Topics Addressed	How Do You Set a Price? Calculating Your Direct Costs

## Key Points

### What is the Competition Charging?

When you're trying to determine what your customers are willing to pay, it's a good idea to look at your competition. What are they charging? What value are they providing in exchange?

If you are providing greater value than your competitors, then you might be able to charge more than they do. But, if you're providing lesser value, you might have to charge lower prices to be able to compete.

### Market Research

Another great way to discover what your customers are willing to pay is to review the market research you have done, and maybe even do some additional research.

Talk to potential customers about your products and services and ask what they would be willing to pay. You could even watch people shopping and ask them why they buy one product over another one. Ask them what they like and don't like about products and services in the market. You will get a very good idea about what people are willing to pay for.

Market research can also help you determine how many people are willing to pay for your product or service. It is important to make sure that there are enough potential customers willing to buy what you are selling.

### How Much is it Costing You?

When setting your prices, you need to know how much your product or service is costing you. You want to be sure that you can make money.

### What Are Direct Costs?

Direct costs are the costs that are directly related to making your product or providing your service.

Examples of direct costs for a product might be: the raw materials that go into the product, the packaging, and the labor costs.

Direct costs for a service would include the labor costs and any supplies that you use in providing that service.



If you are reselling a product that someone else has made, the direct cost will be the price you pay for the product before you put it on your shelves.

**What is Gross Profit?**

Your price, minus your direct costs gives you something called your “gross profit”.

**Related Business Plan Question**

Below, you will see a business plan question related to the topics noted above. If you print this worksheet, you can use the space below the question to write down some initial thoughts and ideas.

When you're ready to start working on your business plan, return to the course, and select "Open My Business Plan".

Q: What are your direct costs? Include things like materials and supplies, ingredients, and labor.

Business Plan Workbook #16	
Course	Pricing Your Dream
Topics Addressed	Calculating Your Indirect Costs

## Key Points

### What are Indirect Costs?

Indirect costs are all the other costs involved in running your business. Indirect costs include things like:

- Rent
- Utilities (electricity, gas, etc.)
- Property taxes
- Special equipment
- Marketing costs
- Your salary
- The salary of any employees not directly involved in making your product or providing your service (example: a security guard, janitorial staff, etc.)
- Equipment maintenance costs

### Total Costs

If you add all the direct costs and all the indirect costs, you will have your total costs for running your business.

The gross profit you make from your business each month needs to be enough to pay for all of your indirect costs, and hopefully leave a little extra money for your profit.

### Double-Check Your Pricing

A good way to double-check your pricing is to see how much you need to sell each month to pay for all your indirect costs.

**Related Business Plan Questions**

Below, you will see a list of business plan questions related to the topics noted above. If you print this worksheet, you can use the space below each question to write down some initial thoughts and ideas.

When you're ready to start working on your business plan, return to the course, and select "Open My Business Plan".

Q: Write down in detail the process you will go through in order to set the prices for your product or service.

Q: What are your indirect costs? Include things like rent, taxes, and utilities.

Business Plan Workbook #17	
Course	Pricing Your Dream
Topics Addressed	What if My Costs Are Too High?

## Key Points

### What if the Customer Isn't Willing To Pay Enough?

If you find yourself in a situation where the price customers are willing to pay is less than your costs, you have three options:

1. Cut your costs
2. Increase the value and the price
3. Discontinue the product or service

### Where Can You Cut Costs?

A good first step to take is to look at all of your costs and see if you can find any way to cut them, in order to save money:

- Are there ingredients or materials that are not necessary?
- Is there a way to lower your labor costs?
- Can you cut down in other areas like marketing?

### How Can You Increase Value?

Another way to get your costs and pricing to work together is to find a way to increase the value that customers see in your product. If you can make the product or service more attractive, then customers may pay a higher price.

### What if You Can't Lower Costs or Increase Value?

If you have tried everything you can to increase the value of your product or cut your costs and you are still not making a profit, then your only choice is to discontinue that product or service altogether – **unless** it brings in all or most of your other business. If the unprofitable product helps bring customers into your business and generate other sales, then it may be worth your while to keep it.

**Related Business Plan Questions**

Below, you will see a list of business plan questions related to the topics noted above. If you print this worksheet, you can use the space below each question to write down some initial thoughts and ideas.

When you're ready to start working on your business plan, return to the course, and select "Open My Business Plan".

Q: How does your product or service compare in price to your competitors? Are your prices higher or lower? Will you have any special pricing (like sales or bundles)?

Q: Describe how you may change your prices if your customers agree to buy more of your product or service. Will you or can you offer volume discounts if they buy a lot?



Business Plan Workbook #18	
Course	Selling Your Dream
Topics Addressed	What is Selling? The Importance of Selling Why Do People Buy From You?

## Key Points

### To Succeed as an Entrepreneur, You Need to be a Successful Salesperson

Your ability to make money is linked to your ability to sell your product or service.

Selling is a way to help people solve a problem or find something they need. When you're selling, you're letting people know that your product or service matches their need.

### You're Not Just Selling a Product or Service

You are the main spokesperson for your business. You need to be able to sell the **idea** of your business to customers, investors, and potential employees...

### Selling to Potential Employees

When you're selling to a potential employee, you're selling them on the idea of working for you. You want them to view your business as a good place to work. You also want them to know that you're passionate about what you do – and committed to growing your business.

### Selling to Potential Investors

When you sell your idea to a bank or an investor, you're selling them on the idea of putting money into your business.

You can use your business plan when you're talking to potential investors – to show them that you have a plan for developing your business and making a profit.

### Selling to Potential Suppliers

When you're selling your idea to suppliers, you're selling them on the potential of your business in the hopes that they will give you a better price for your materials or supplies. You want your suppliers to see the value of gaining you as a long-term customer.

### **Three Reasons People Choose to Buy**

Generally speaking, there are three reasons why customers will choose to buy from your product or service:

1. They have a unique need that your business can meet and they seek you out
2. They know you, and they know you are skilled at what you do
3. They don't know you, but they have heard good things about you from other people

**Related Business Plan Questions**

Below, you will see a business plan question related to the topics noted above. If you print this worksheet, you can use the space below the question to write down some initial thoughts and ideas.

When you're ready to start working on your business plan, return to the course, and select "Open My Business Plan".

Q: Why do your customers buy from you? Or why will they buy from you?

## Business Plan Workbook #19

Course	Selling Your Dream
Topics Addressed	Lifetime Value and Customer Service

### Key Points

#### Look Beyond a Single Sale

To be a successful entrepreneur you want to look **beyond** a single sale, and focus on developing an on-going relationship with each of your customers.

#### Make Sure Your Customers Don't Forget About You

Once customers have purchased something from you, there's a good chance that they will come back the next time they need the same type of product or service.

However, you shouldn't assume that this will happen automatically...

#### Strategies for Developing Customer Relationships

Below is a list of strategies you can use to make sure customers don't forget about you.

Strategy	Description
Aim to provide excellent customer service	<p>If you treat your customers well, there's a better chance they'll come back the next time they are thinking about buying the same type of product or service.</p> <p>Customer service isn't just about treating your customers well when they are buying something from you.</p> <p>Truly good service can be found in every interaction that you have with a customer. This includes virtual interactions that you have via email or social media, phone conversations, and situations where customers are making complaints.</p>
Use advertising to communicate with existing customers	Advertising is a type of communication used to convince customers to buy a product or service. In this case, you are communicating with existing

	<p>customers, to encourage them to continue buying from you.</p> <p>You could put a coupon for a future purchase or a business card in their bag – these items will act as a visual reminder, and help make sure customers don't forget about you before they have a chance to return.</p> <p>Or, like the entrepreneurs you've met through the DreamBuilder Program, you could invest time and energy into your social media sites and your website. These are great tools for keeping in touch with your existing customers.</p>
Keep your customers informed about what's going on with your business	<p>Reach out to your existing customers to keep them informed about what's going on with your business.</p> <p>You could let them know about any special promotions you have going on, or you could let them know about new products you think might be of interest to them. You could even keep a record of your best customers and send them coupons or newsletters in the mail or by e-mail. By keeping your customers informed, you'll make them feel valued and respected, and you'll encourage them to keep buying from you.</p>
Reward your customers by offering them special deals, promotions, or samples	<p>You may want to reward your best customers by offering them special deals or promotions.</p> <p>For example, Marjorie rewards her existing customers by baking them a free cake on their one-year anniversary.</p>

### **What if Customers Have a Bad Experience?**

Unfortunately, customers tend to remember bad experiences. If you disappoint a customer, they will likely remember that disappointment, even though they've had good experiences with you in the past. Bad customer experiences can cost you business, and damage the reputation that you've built for your business.

You should also be aware of websites that publish online customer reviews. You should check these sites regularly to see if there are any negative reviews or comments about your product or service. If you do come across a complaint or a negative review, you should handle it professionally and respectfully.

### **The Customer is Always Right**

As a business owner, you want to keep your customers happy and make them feel important – even when they're wrong.

You don't always have to give-in to customer demands, but you always want to treat your customers with respect and kindness... even if you're telling them no.

### **Guidelines for Customer Service**

Aim to provide the **best** customer service you can

You should:

- Greet customers when they first enter your business
- Call them by their names
- Be friendly and respectful
- Help solve problems
- Remember to smile

**Related Business Plan Questions**

Below, you will see a list of business plan questions related to the topics noted above. If you print this worksheet, you can use the space below each question to write down some initial thoughts and ideas.

When you're ready to start working on your business plan, return to the course, and select "Open My Business Plan".

Q: Will you provide service to your customers after they have purchased your company's products or services? If so, describe how.

Q: If you are going to offer a warranty or guarantee, describe it.



Q: Describe how you plan to stay in touch with your existing customers.

Q: Describe how you will provide excellent customer service. What will you do to make the customer feel that they are the most important person in the world?

Business Plan Workbook #20	
Course	Selling Your Dream
Topics Addressed	Every Employee is a Salesperson

## Key Points

### Every Employee is a Salesperson

As you grow your business, you'll need to hire employees to help you. Even if these employees do not have direct contact with the customer, you should think of them as salespeople.

### Your Employees Are Representatives

When you own a business every single employee is a representative of your business. Even when they are not at work, their actions can create value for your business. If others respect them and associate them with your business, they provide a positive reflection on your company. And in that way, they serve as your salespeople.

### Your Role as a Business Owner

Your job as a business owner and leader is to make sure your employees understand how their jobs contribute to your sales. In other words, you need to make sure they understand their roles as behind the scenes salespeople.

### Direct Salespeople

Direct salespeople interact with customers, and sell your product or service. As a business owner, you need to make sure that your salespeople know how you expect them to treat your clients. And you need to correct any behavior that doesn't meet your standards of customer service.

You also need to train your salespeople; to ensure they're knowledgeable about your product or service, and capable of assisting customers. And when possible, you should give your salespeople the authority to do what it takes to make your customers happy.

**Related Business Plan Questions**

Below, you will see a business plan question related to the topic noted above. If you print this worksheet, you can use the space below the question to write down some initial thoughts and ideas.

When you're ready to start working on your business plan, return to the course, and select "Open My Business Plan".

Q: Write down a list of people or organizations that will be selling your product or service.

Business Plan Workbook #21	
Course	Selling Your Dream
Topics Addressed	Making a Sales Projection

## Key Points

### What Are Sales Projections?

Sales projections are your best estimate about how much of your product or service you think you will sell. When you make a sales projection, you estimate your sales during a particular time period. You could make estimates for a day, a week, a month, a quarter, a year, or more.

### Importance of Sales Projections

Sales projections help you plan for future sales. Based on your projections, you can estimate your direct costs for items like raw materials and labor you're going to need, during a particular period. So, you can use your projections to guide purchasing and hiring decisions.

Sales projections can also help you measure and evaluate your current performance. You can compare your actual sales to what your projected sales, to see whether or not your business performed as expected.

Comparing your actual sales to your projected sales can also help you evaluate the effectiveness of your business decisions.

### Making a Sales Projection

To make a sales projection for a single product or service, you use the following formula:

$$\frac{\text{Price} \times \text{Quantity}}{\text{Projected Sales}}$$

If you currently own a business, you can use past data on your sales to help with your estimates.

If you're starting a new business, or if you're introducing a new product or service, you will have to make your best guess. You can refine your estimates, once you've had a chance to gather some data.

If your business sells many different types of products or services, you can group your products or services together into categories, and make a projection for each category.

**Understanding Sales Performance**

When you're making a sales projection, you want to be mindful of the physical size of your business; you want your sales projections to be realistic when compared to the size of your business.

**Sales Projections Drive Expense Projections**

As mentioned above, you can use your projections to guide purchasing and hiring decisions. For a refresher on direct and indirect expenses refer back to Course 6 as a guide.

**Related Business Plan Questions**

Below, you will see a list of business plan questions related to the topics noted above. If you print this worksheet, you can use the space below each question to write down some initial thoughts and ideas.

When you're ready to start working on your business plan, return to the course, and select "Open My Business Plan".

Q: Write down the sales you project that your business will make each month starting with next month and ending with the current month next year (12 months of projections). This can be your best guess for now.

NOTE: You can use the Sales Projection Template located under the Appendix Icon to help you answer this question.

Q: What are your projections for expenses, costs, etc. for each of the months that you provided a sales projection? Do your best to give an estimate. You can update this later!



Q: Will your business experience increases or decreases in sales due to seasonal issues? If your sales are affected by things like holidays, seasonal availability of raw materials or supplies, growing seasons, etc. explain those issues and the impact they have on your business. Describe how much your sales are impacted if you can.

## Business Plan Workbook #22

Course	Managing Your Dream
Topics Addressed	The Basics of Management Managing the Hiring Process

### Key Points

#### What is Management?

Management is figuring out the best way to use your resources to get your goal accomplished. Resources can be “human resources” or employees. Resources can also be your time and your money.

#### Challenges of Being a Woman in Charge

You may encounter people who don’t believe that a woman can be strong enough to be the boss. And sometimes women managers will have to deal with a male employee who is uncomfortable taking direction from a woman.

Unfortunately, businesswomen all over the world face these types of challenges every now and then. Your best defense is to stay calm and be professional. You know your business better than anyone else. If you display confidence, you may be able to change minds and attitudes.

Remember that you have the ability to choose who to work.

#### A Boss and an Entrepreneur

As your business grows, you will need to involve other people, who will become your employees.

Once you start bringing in other people to help you, your job changes and you become a “manager” of employees, in addition to being an entrepreneur. This is difficult for many entrepreneurs, as they start having to spend less time on their passion and more time training and guiding other people to do the work.

#### Trusting Your Employees

Once you start hiring employees, you will have to trust people with parts of your business.

You may worry that your employees don’t have the same level of excitement or commitment that you do. You may be concerned that they wouldn’t put in the same effort or give that special personal touch. You may even worry that an employee might lie or steal from you.

These are all very valid concerns. But while you may be tempted to try to do everything yourself, at some point, that may not be possible. You may have to bring in other people to allow your business to grow and continue to succeed.

The key to overcoming your concerns is to bring in the right people for the job and your company!

### **How Do You Find the Right People?**

If you rush into hiring someone, you may regret making a “bad hire.” Instead, take a deep breath and take the time to find and then hire the right employee.

There is no exact formula for finding the right person. Of course anyone you are thinking about hiring must have the skills that you will need for the position, but a lot of the hiring decision comes from how well that person fits with your values and the company.

When you have multiple employees it’s also a good idea to have the prospective employee visit with your current employees in order to get feedback about how the prospective employee may fit in.

### **Create a Job Description**

To create a job description, you need to:

- Determine what the new employee will be doing
- Describe the job in as much detail as you can
- Identify the mix of skills, talent, and experience that the ideal candidate should have
- Write down the duties that the employee will perform and the experience required for the position

### **Values**

Be clear about your values and how those values are applied in your business. Values include your opinion on what is right and wrong, and also your thoughts on how things should be done.

Then, think about the values that you want to see in your employee at your business. These could include things like honesty, loyalty, and reliability.

### **Get the Word Out**

The next step in your search for the right employee is to get the word out that you are looking to hire. You may want to ask your friends or current employees if they can suggest any qualified people. Often these referrals are helpful because the people you already know will help you find a reliable employee.

In some cases, you can find good employees from employment agencies since these agencies can provide a list of qualified candidates. This can be a quicker route to finding a good employee but, it can also cost money to use this kind of service.

It is also possible to simply advertise open positions, however, be aware that without a referral from someone you trust, you will want to be extra diligent when you interview these candidates.

### **The Interview Process**

You will likely find a few people that seem like they could be a good fit for the job and your company. So your next step will be to speak to each one of these people and ask them all the same questions.

The questions should reflect what you wrote in the job description. They should also reflect your values. If you are looking for someone to be a delivery person, you might want to ask them how long they have been driving and if they have had any accidents. If good customer service is an important value for you, you might ask the candidate to tell you about how she or he has provided good customer service in the past.

You may also want to ask questions that help you learn more about their personality. You'll want to determine whether or not the candidate is going to fit with your current team of employees.

### **Background and/or Reference Checks**

It's very important to check a candidate's background. You can do this by talking to people that she or he has worked for. It is the one last check to be sure that you are bringing a good person onto your team.

### **Take the Time to Train New Employees**

Even though you took the time to hire the right employee for the job, you still need to invest time into training new employees.

As the boss, you need to be patient with new employees as they learn.

When your business is small, you may find that it is best to train employees yourself, by showing them how to do the job.

As your business grows, you might not have the time to show every new employee every part of the job. You may have to trust another employee to do the training. But make sure that the person who is doing the training is doing her or his own job the right way. You don't want an employee to pass along bad habits.

**Related Business Plan Questions**

Below, you will see a list of business plan questions related to the topics noted above. If you print this worksheet, you can use the space below each question to write down some initial thoughts and ideas.

When you're ready to start working on your business plan, return to the course, and select "Open My Business Plan".

Q: Describe the jobs/tasks for which you need to hire employees.

Q: Describe how you will find employees for these jobs/tasks.

Q: Describe how you will train the employees for these jobs/tasks.

Q: Specifically, how will you find salespeople to sell your product?



Q: Are there management/leadership roles that you think will need to be filled so that you can launch or grow your business? If so, explain what those roles might be.

Q: How will you find the right people to fill these leadership or management roles?

**Business Plan Workbook #23**

Course	Managing Your Dream
Topics Addressed	Managing Your Team

**Key Points****How Do You Manage Employees?**

When you manage employees, you may want to think about how you interact with each of them and ask yourself what kind of manager you want to be.

There are different styles of managing people and also different techniques that you can use. Managing people is a complex process, and there's no single way of approaching it. In fact, you may find that you have to use different management styles for different situations, or that it is best to shift your style for different employees. But regardless of the style of management you prefer, always try to be professional and fair.

**Related Business Plan Questions**

Below, you will see a list of business plan questions related to the topic noted above. If you print this worksheet, you can use the space below each question to write down some initial thoughts and ideas.

When you're ready to start working on your business plan, return to the course, and select "Open My Business Plan".

Q: If you have already started your business, how many employees do you have? How many are full time and how many are part time? (If you haven't started your business yet, leave this question blank.)

Q: As your business grows in the future and you add employees, how do you plan to move from the role of entrepreneur to the role of a manager and leader?

Business Plan Workbook #24	
Course	Managing Your Dream
Topics Addressed	Managing Family Members

## Key Points

### Managing Family Members

At a very early stage, you will likely have to make some decisions about your family's involvement in your business. It can be difficult to manage employees, but sometimes it can be even more difficult to manage family members.

The key to a good working relationship with your family is to be very open with each other, and to make sure that roles are clearly defined.

### Rules and Expectations

If you are involving family members in your business, it's important that you lay out some rules for how you want them to participate. If they are going to be your employees, it's important that you clearly communicate your expectations of them.

It is a good idea to have some kind of written agreement that explains how they're going to get paid and whether or not they are to share in any profits of your business.

If you are going to be partners with a member of your family, you will want to work together to define everyone's roles.

If you plan out everyone's involvement, you may avoid the stress that sometimes occurs when family members work together.

### Separate Business Time From Family Time

Try to separate your business time from your family time. This could mean making a decision that you never talk about business at the dinner table. Or this could mean identifying certain days or times for "family only".

Setting some rules like this can help keep your relationships and your business healthy.

**Related Business Plan Questions**

Below, you will see a business plan question related to the topic noted above. If you print this worksheet, you can use the space below each question to write down some initial thoughts and ideas.

When you're ready to start working on your business plan, return to the course, and select "Open My Business Plan".

Q: If you plan to include family members in your business, write down any special rules you will put in place to ensure that things run smoothly and the business relationship does not harm the family relationship.

## Business Plan Workbook #25

Course	Managing Your Dream
Topics Addressed	Managing Good and Bad Employees Managing Time and Money

### Key Points

#### Motivating and Rewarding Employees

Employees want to know what is expected of them. Part of being a good manager is to find ways to motivate your employees and reward them when they succeed.

#### Recognizing Good Work

One of the most powerful ways to motivate people is to recognize their good work.

If you have a few employees, you could even recognize an “employee of the month”. Or you could do something to showcase the employee’s good work. For example, you could post a customer compliment in the employee break room.

A good way to reward good workers is to allow them to make more decisions on their own. By showing employees that you trust their judgment, you can continue to motivate them.

#### Other Ideas for Rewards

There are plenty of creative ways to reward your employees. How about giving employees an extra day off or offering to take them to lunch?

A good place to start is to think about what sort of thing a particular employee would value the most.

#### Dealing with Performance Issues

If you have an employee who is not performing, your first step is to try to figure out why this person is failing. Is the issue a result of their skills or their behavior?

If the issue is related to **skills**, it might be a matter of retraining the employee. Or it might be that you need to work with this employee closely to teach her or him exactly what needs to be done on the job. Another solution may be to give the employee a different job in your company, especially if your company has grown very quickly and you have an employee who has not “kept up” with the new challenges.

If the issue is related to **behavior**, try to determine why the behavior is happening. Perhaps an employee is late to work every day. Maybe the lateness is due to laziness, or maybe it is because the bus schedule does not fit with the



employee's work hours. If you see that an employee has troubling behavior, you should talk professionally with her or him and see if you can get to the root of the issue, and work together to find a solution.

Remember that it's always best to have these conversations in private, and not around other employees. A private chat will decrease the embarrassment and will be seen as a professional approach by the other employees.

### **What if An Employee is a Bad Fit For Your Company?**

Sometimes no matter how hard you try to help an employee succeed at your company, she or he is simply a bad fit.

It's important to share your concerns with the employee when you first start to notice issues and to keep a record of your conversations.

If you have tried your best to work with a problem employee and you cannot fix the situation, then it's best to make the decision to fire as soon as possible. Keeping an obviously underperforming employee in the company too long will send an unwanted message to your other employees. This is never an enjoyable experience, but sometimes, it cannot be helped.

### **Firing An Employee**

If you need to fire an employee, you will want to choose a time and place to talk privately. Before your meeting, take some time to think through what you are going to say and how you will explain the reason for your decision.

Be professional and calm when you meet. Even if the employee gets angry or upset, concentrate on being composed. Try to answer her or his questions, but be firm in your decision.

Remember, if an employee is not a good fit for your company, it is better for everyone if you do not allow the employee to continue in a job in which she or he will be unsuccessful.

Take some time to familiarize yourself with federal and state labor laws so that you know about any legal issues with firing employees. If you are unsure about something, be sure to ask someone who either has experience with the law or can refer you to someone who does.

**How Do You Manage Your Time?**

Every day you will be forced to make decisions about what you spend your time doing. Very often, you'll find yourself solving immediate problems that weren't even on your to-do list for the day.

But be sure to set aside time to think, reflect, and plan for your company's future. Don't just focus on the current day's events.

You may want to set aside time in the early morning or the evening, when your business is closed or very quiet, and you don't have to worry about interruptions.

**Managing Your Money**

Managing money is something that you need to do every day in your business, not just at the end of the month when you might be doing your monthly records. Your daily records will show you how your business is doing.

Remember, you are the person responsible for managing your money. You might feel uncomfortable with numbers or think that managing money is difficult in the beginning. But the only way to get comfortable is to practice.

**Paying Employees – Including Yourself**

Be sure to think about how you will come up with the money to pay your employees.

And while you may not think of yourself as an employee, you are actually the first employee of your company. So as you think about how you will pay others, you also need to think about how you will pay yourself.

It's also important to keep the finances of the business separated from personal, family finances. It can be tempting to pay for personal expenses from money belonging to the business—this makes it difficult to “keep score” on how well the business is doing, and, in some cases, it may be against state or Federal tax laws.

**Related Business Plan Questions**

Below, you will see a list of business plan questions related to the topics noted above. If you print this worksheet, you can use the space below each question to write down some initial thoughts and ideas.

When you're ready to start working on your business plan, return to the course, and select "Open My Business Plan".

Q: How will you compensate those that fill leadership or management roles?

Q: Write down how your salespeople will be compensated. Will you pay them by the hour, by the day, a percentage of the sale, etc.?

Q: How will you compensate your other employees?

Q: How do you plan to compensate yourself?

## Business Plan Workbook #26

Course	Managing Your Dream
Topics Addressed	Managing Information

### Key Points

#### Keeping Track of Information

As a responsible and organized entrepreneur, you must keep track of important information. This means keeping track of money coming in and going out of the business, but it also means keeping records on other things that affect your business, such as:

**Employee Records:** For every one of your employees, you should keep a current record of what she or he is paid, the application form from when she or he applied to work for you, as well as her or his training history, attendance, and time off. Be sure to save any reports that you have written up about the employee's performance. You may also want to have a record of whom you should contact in case of an emergency at work.

**Inventory:** If you are making a product and use ingredients or raw materials, you will need to keep track of how much of the materials you are using, as well as information about where you get these raw materials. This becomes even more important if you open additional operations that are far away from your "main" location.

**Equipment:** If you are using equipment to make your product or provide your service, it is important to keep a record of all purchases of equipment and any maintenance that is needed to keep the equipment in good shape.

**Marketing Materials:** If you are creating brochures or ads, it is a good idea to keep copies of your ads and promotional materials. You can then reuse the ones that seem to work well.

**Production Records:** If you are making a product, you will want to keep track of how much of the product you make. Sometimes you'll find it is important to keep track of this down to the hour or at least by the day.

**Sales Records:** You'll want to keep track of how many products or services you sell each day. If you are selling more than one product or more than one service, you will want to keep track of each of these items so you know what is selling best.

**Customer Records:** You might want to keep a list of your best customers and their buying history. This is helpful when you are doing promotions or you

want to share a new product with your customers. Depending on your business, you might even want to record some personal facts about your customers, like their birth date or clothing size. This allows you to provide very personalized service.

**Business Contacts:** You will want to keep a good record of all your vendors and other business contacts. As you meet more and more people, your network will grow. Not only are these lists helpful with your marketing, but you never know when you might make a connection that will be helpful in the future.



**Related Business Plan Questions**

Below, you will see a business plan question related to the topic noted above. If you print this worksheet, you can use the space below each question to write down some initial thoughts and ideas.

When you're ready to start working on your business plan, return to the course, and select "Open My Business Plan".

Q: What kinds of information do you plan to collect and what kinds of reports do you plan to prepare, in order to monitor the performance of your business? How often will you update your reports?

Business Plan Workbook #27	
Course	Profiting From Your Dream
Topics Addressed	The Profit and Loss Statement Using Your Profit and Loss Statement

## Key Points

### What Is A Profit and Loss Statement?

All over the world, companies use a report called a “Profit and Loss Statement” to track their money. A Profit and Loss Statement is sometimes also called an Income Statement.

A Profit and Loss Statement shows how much money you’ve received during a certain period of time. It also shows how much money you’ve spent during the same period. So, it will tell you whether you’ve made a profit, experienced a loss, or broke even.

### How Often Should You Update Your Profit and Loss Statement?

You will want to update your Profit and Loss Statement on a regular basis. Pick a reporting frequency that works for you and your business, and stick to it. When you are first starting out, it’s very important to review this on a monthly basis.

### What Makes Up a Profit and Loss Statement?

A Profit and Loss Statement is divided into three sections: Revenue, Expenses, and Net Income.

#### ***Part 1: Revenue***

Part 1 of the Profit and Loss Statement is the Revenue section. It tracks the money that is coming into your business from customers.

#### ***Part 2: Expenses***

Part 2 of the Profit and Loss Statement can be divided into two sections: direct expenses and indirect expenses.

#### ***Direct Expenses and Gross Profit***

When you track your direct expenses, you’re tracking the direct costs that you incur when you make your product or deliver your service. This includes the money you spend on ingredients and/or raw materials, packaging, and labor. You’ll subtract these costs from your total revenue to find your gross profit.

Keep in mind that businesses that sell products may use the term “Cost of Goods Sold” to refer to their direct expenses.

### ***Indirect Expenses***

You will also need to keep track of the other costs you incur to operate your business. These additional costs get accounted for in the Indirect Expenses section of your Profit and Loss Statement. Your indirect costs may vary, depending on the type of business that you're running.

### ***Part 3: Net Income***

Part 3 of the Profit and Loss Statement is the Net Income section. Take your gross profit (calculated in Part 1) and subtract your indirect expenses (calculated in Part 2) to determine your profit BEFORE taxes.

In the United States, if this number is positive, then you'll need to pay income taxes. If the number is negative, then you won't need to pay income taxes. If you do business in another country, check the rules on paying tax to be sure you are following the law.

### ***Why Do You Need a Profit and Loss Statement?***

It may seem like a lot of work to keep track of your revenue and expenses, but a Profit and Loss Statement is an important tool that will help you manage your business.

In a way, tracking your income and expenses is like taking the temperature of a sick child – the thermometer tells you when there is a health issue so you can address the problem. Similarly, a Profit and Loss Statement lets you “take the temperature” of your business so you can determine whether or not you need to make a change in how you are running your company.

### ***Using Your Profit and Loss Statement***

This is a list of some of the common uses for a Profit and Loss Statement:

- You can use your Profit and Loss Statement to analyze your direct expenses. Analyzing your direct expenses can help you decide how much you're willing to invest in the quality of your product or service.
- You can analyze the information in the Indirect Expenses section of your Profit and Loss Statement, to see how much you're spending on other parts of your business, and make changes as needed.
- You can use your Profit and Loss Statement to compare and track your business performance from month to month.
- Potential investors or banks may ask to see your Profit and Loss Statement – if they're thinking about loaning you money to grow your business.

## **Other Indicators of How Your Business Is Doing**

Customer satisfaction surveys can tell you if your customers are satisfied. They can also provide feedback that may help you improve your business.

Depending on your business, there are other indicators you can look at, such as the amount of waste, whether deliveries are on time, or whether or not you have repeat customers.

**Related Business Plan Questions**

Below, you will see a list of business plan questions related to the topics noted above. If you print this worksheet, you can use the space below each question to write down some initial thoughts and ideas.

When you're ready to start working on your business plan, return to the course, and select "Open My Business Plan".

Q: If you have already started your business, write down how much money your business received and spent during the past year. Also, how many different kinds of items or services have you sold in the past year (an estimate)?

Describe the measurements you will use to determine how you are doing in your business. (Other measures include waste/scrap, customer satisfaction, on-time delivery, etc.)

Business Plan Workbook #28	
Course	Keeping Track of Your Dream
Topics Addressed	Bookkeeping Accounts Payable & Receivable Using a Balance Sheet Accounting Resources

## Key Points

### Track Revenue and Expenses

Keep detailed records to track all revenue and expenses as they happen in your Cash Receipts and Payments Journal.

### Cash Receipts and Payments Journal

The Cash Receipts and Payments Journal is the day-by-day detail of the money coming into and going out of your business.

This Journal allows you to understand in more detail what is happening daily in your business. At the end of the month, add up all revenue and expenses and these amounts go on your Profit and Loss Statement for the month.

### Be Diligent

You should update your Cash Receipts and Payments Journal whenever you make deposits or write checks. If you wait too long to record items, you may forget about them. Or, you may make mistakes in the Journal.

By spending a little time each day to make sure you record items and make sure nothing is missing, you can save yourself a lot of time at the end of the month.

### Cash Accounting

Small businesses use something called “Cash Accounting”. This means that we only record things when cash is exchanged. We record revenue when we get cash (or checks) and we record expenses when we pay cash (or write checks). In the US, businesses with under \$10 million of revenue are allowed to use this method of accounting, and it’s much easier than other methods of accounting.

### Accounts Payable

An account payable just means that you purchased goods or services from someone and agreed to pay them in the future.

### **Keep a Sales Invoice Journal**

Keep a Sales Invoice Journal to make sure you don't lose any invoices or forget to get paid. The Sales Invoice Journal is very simple and used from month-to-month and year-to-year.

### **Accounts Receivable**

Accounts Receivable means that someone owes you money for products you already sold to them or for services already provided.

### **What is a Balance Sheet?**

A balance sheet is one of the financial statements that an investor or bank may ask to see.

A balance sheet shows everyone what your business owns, and what it owes. It also shows what you've personally invested in your business. Accountants and bankers have special words for this. Things your business owns (like its checking account) are called "Assets". What your business owes (like the bank loan we talked about earlier) are called "Liabilities". Your investment in the business is called "Equity".

The statement that tracks these things is called a Balance Sheet because it balances.

In other words:  $\text{Assets} = \text{Liabilities} + \text{Equity}$

### **Why is a Balance Sheet Important?**

A Balance Sheet is important because it gives a "snapshot" of your business at a specific point in time. You can use it to compare what you own (your Assets) to what you owe (your Liabilities).

### **Available Resources**

#### ***DreamBuilder Tools***

In the Tools section of your DreamBuilder account you will find templates for all of the financial statements and records discussed in this course, including:

- The Cash Receipts and Payments Journal
- The Sales Invoice Journal
- The Balance Sheet, and
- The Cash Flow Projection



***People Who Can Help***

If you need a bit more help, you may want to hire an accountant to help you set up your bookkeeping system.

Or you may be able to find help at a local non-profit, a women's resource center, or a library.

Other small business owners may also be able to give you good advice on how they keep track of their business finances.

***Accounting Software***

There are many helpful accounting software programs that already have the reports you'll need; all you need to do is enter your information. You can find information about these programs online or at a business supply store.

At the end of the day, there are many ways to keep track of the financial side of your business. The key is to make sure you track things consistently and accurately. If you pay attention to this task, it will get easier and you'll have a powerful tool for understanding the financial health of your business.

**Related Business Plan Questions**

Below, you will see a list of business plan questions related to the topics noted above. If you print this worksheet, you can use the space below each question to write down some initial thoughts and ideas.

When you're ready to start working on your business plan, return to the course, and select "Open My Business Plan".

Q: Describe how you manage your personal finances (not your business finances) now.

Q: How will you keep track of your business finances?

Q: Describe any additional resources (accountants, software, advisors, etc.) that will help you keep track of your business finances.

Business Plan Workbook #29	
Course	Funding Your Dream
Topics Addressed	Sometimes You Need Money to Start How Much Money Do You Need?

## Key Points

### Sometimes You Need Money to Start

This can be a big challenge for many entrepreneurs. They spend a lot of time thinking about their product or service, and they may not spend as much time thinking about the costs involved in starting and running a business.

### Categories of Start-Up Costs

Businesses spend money before they ever open their doors. These initial “start-up costs” fall into three main categories:

1. Start-up expenses
2. Start-up assets
3. Monthly costs during start-up

**One-Time Start-up Expenses:** This category of costs includes the money you pay for services required to get your business set up. These include things such as initial marketing design, website set up, legal advice, licenses, insurance, training, and site selection or improvement fees.

**Start-up Assets:** This category of costs includes the money you’ll spend on physical things such as land, equipment, starting inventory, furniture, and signage. These are all physical items that you will need to get your business started.

**Monthly Costs During Start-up:** Monthly Costs During Start-up is a category of costs that includes the money you will need to have in the bank to operate your business before you start turning a profit. This money will be used to pay for reoccurring expenses such as rent, payroll, utilities, ongoing inventory, and marketing expenses.

### Expansion Costs

If you’ve already started your business, and you have an idea for growing or expanding it, then you may need some additional funding.

You may need additional funding for one of the following reasons:

- You might be thinking of adding another location

- You might be thinking of adding a new line of products or services
- You might be thinking of buying newer equipment or renting a bigger location

### **How Much Money Do You Need?**

Now that you have an idea of the types of costs you may have when you are starting or growing a business. You'll need to add all of these costs together, in order to determine how much money you'll need to start or grow your business.

### **Your Costs Will Vary**

When you're calculating your start-up costs, it's important to remember that the amount of money you'll need depends on the kind of business you are starting or growing. For example, if you are starting a business that you can run out of your home, your start-up costs will likely be lower than if you were starting a business where you needed a special location to make or sell things.

### **No Need to Do Everything Right Away**

When you are thinking about all the costs for your business, ask yourself "Are these costs for things that I "need to have"?" In other words, do you absolutely need these things right away? Or... "Are these costs for things that would be "nice to have"?" In other words, while you're tempted to buy these things right away, you could wait. And by waiting to buy those "nice to have" things, you might be able to save a bit of money.

**Related Business Plan Questions**

Below, you will see a list of business plan questions related to the topics noted above. If you print this worksheet, you can use the space below each question to write down some initial thoughts and ideas.

When you're ready to start working on your business plan, return to the course, and select "Open My Business Plan".

Q: Describe the equipment and facilities you will need for your business.

Q: Provide an estimate of the cost for the equipment and facilities you will need for your business.



Q: Describe any additional items and their related costs you need to cover for your start-up or expansion.

Business Plan Workbook #30	
Course	Funding Your Dream
Topics Addressed	Sources of Funds

## Key Points

### Where Will You Find the Money?

You've put some thought into what you need to buy and how much these things will cost. So the next question is: Where will you find the money?

### Your Personal Savings

The first place to start looking is your personal savings. By investing your own money into your business, you will be motivated to succeed. You'll also be showing other investors that you are committed to your goal of starting or growing a business.

Often, other investors will ask how much money you have put into your business. They see your decision to invest in the business as a sign that you are committed to its success.

### Family and Friends

Don't worry if you don't have enough of your own money saved to buy all the things that you need. If you need financial help, you can turn to people who believe in you and your business.

The most logical place to start is with your family and friends. These are people who already know you, so you have already earned their trust and confidence. You can use your business plan to share your business idea with your family and friends. It will show that you are serious about starting or growing your business.

Even if you're dealing with close family and friends, you should have a borrowing arrangement in place. In fact, you should handle the arrangement the same way you would if you were borrowing from a bank or another financial institution - that means you need to document it.

### Bank Loans

If you don't want to borrow money from family and friends, or if your family and friends aren't able to help you, then bank loans are another option.

In some cases, you may qualify for a personal loan from a bank, but this will be based on the quality of your business plan and your personal financial situation. However, as a new business owner, you may find it challenging to qualify for a loan.

Often, banks want some guarantee that you are a good investment. This will likely mean that they want to see collateral or some other proof that you will be able to pay back the loan. However, once your business grows and becomes profitable, banks will be more willing to loan money to you so that you can continue to grow your business.

### **Apply For a Grant**

Another option is to apply for a grant. A grant is money that comes from governments or other organizations. Grants are an attractive option, because the money doesn't have to be paid back. But, your business must meet the terms and conditions of the grant, or you won't be eligible.

You can do some research, check with your local government, local non-profit organizations, or even corporations to see if there are any grants available to new businesses. A well-developed business plan will be important in helping to get funding from a grant.

### **Your Vendors**

In some cases, you might be able to get financial help from your vendors. Let's say you're buying a lot of materials from a particular vendor. This vendor may be willing to sell the materials to you at a lower cost as a way of helping you with your business. Or, this vendor may be willing to give you more time to pay for your initial order, so that you have more time to make a profit.

Generally, vendors will only do this if you have a well-developed business plan, because they will want to know if there's an opportunity for on-going business.

It doesn't hurt to ask your vendors if they can give you a better price. The worst that can happen is that they say no... and if they say yes, you might be able to save money.

### **Your Customers**

You may be able to obtain money from potential customers, if they are willing to pre-order or prepay for the products or services you will be providing.

Ultimately, this may depend on whether or not your customers trust you to deliver on your promises. If you consistently provide high-quality products or services, your customers may be more willing to pay in advance. If you have a habit of disappointing your customers, they may be less willing to pay in advance.

**Outside Investors**

Outside Investors may be interested in providing money, but they will likely want to share in the ownership and/or control of your business.

It may be more difficult to find outside investors during the early stages of your business. But once your business is established and you can demonstrate that it is profitable, you may be able to attract the interest of an outside investor.

**Related Business Plan Questions**

Below, you will see a list of business plan questions related to the topics noted above. If you print this worksheet, you can use the space below each question to write down some initial thoughts and ideas.

When you're ready to start working on your business plan, return to the course, and select "Open My Business Plan".

Q: What are the sources of funding for your business? (Your own savings, family and friends, crowdsourcing, banks, etc.). Include the names of any individuals, organizations, or banks where you plan to get funding.

Q: What amount of funding will you get from each source?

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**Business Plan Workbook #31**

Course	Formalizing Your Dream
Topics Addressed	Experts Who Can Help

**Key Points****Sometimes, You May Need Help**

When you first start your business, you'll likely be responsible for almost all of the tasks involved in running your business. But, there will be times when you'll want to consider bringing in an expert to help you perform certain, highly specialized tasks.

**Lawyers**

Lawyers are highly trained in dealing with complex business issues and, because so much business today is affected by legal considerations such as contracts, agreements, regulations, and procedures, it's a good idea to have a lawyer that you can contact.

The hourly fees that lawyers charge may seem high, but the advice they're able to provide generally outweighs the cost. When it comes to finding a lawyer you should ask other business people for referrals. Just because a person is a lawyer, it doesn't necessarily mean they are a good fit to help you with your business. For instance, a lawyer who specializes in divorce would probably not have much experience working with business agreements and contracts.

**Accountants**

While you are likely to set up a basic bookkeeping system to keep track of money, expenses, and taxes, there may be times when you will need to talk to an accountant. For instance, you may want to have an accountant prepare your tax returns, since special treatment of certain expenses could benefit your company. You may also want to talk to a financial planner. A financial planner can help you with your own personal financial goals and they know how to best take advantage of the fact that you own a business.

**Insurance Providers and Advisors**

You want to consider contacting an insurance specialist, to learn about the different types of insurance that are available to help you deal with risk. Insurance specialists work with businesses on a regular basis and can provide advice that is critical to the success and life of your business.

Insurance specialists are familiar with various kinds of insurance and often may be able to "shop around" to get you a good price. Once you have figured out the different types of insurance you need, it's a good idea to meet with the insurance

specialist on a regular basis in order to make sure that your coverage addresses all of your business needs.

### **Government and Non-Profit Organizations**

There are organizations that are focused on helping new businesses succeed. They often offer free advice and are worth seeking out.

Your city or county may have an "Economic Development" department that serves businesses that want to open or grow at a local level. Likewise, your state will have some sort of economic development agency that will be interested in assisting new and growing companies especially because of the jobs that will be created.

The Small Business Administration, or SBA, of the United States government has offices in every state and in some places they have specialized "women's business centers". The SBA is a very important organization to help you in your business, it's worth it to take some time to become familiar with its services, locations, and programs.

You may also find help from local trade associations, chambers of commerce, and other nonprofit organizations. Many of these organizations are comprised of members that are also small business owners who meet on a regular basis to network, share ideas, and support each other in making their businesses successful.



**Related Business Plan Questions**

Below, you will see a business plan question related to the topic noted above. If you print this worksheet, you can use the space below the question to write down some initial thoughts and ideas.

When you're ready to start working on your business plan, return to the course, and select "Open My Business Plan".

Q: What experts do you plan to engage in your business decisions? (This includes lawyers, accountants, financial planners, insurance specialists, etc.)

Business Plan Workbook #32	
Course	Formalizing Your Dream
Topics Addressed	Choosing the Right Legal Structure

## Key Points

### Choosing the Right Legal Structure

Many entrepreneurs think about starting their business first and then, much later, they think about how they're going to structure it. But, it's important to think about the legal structure of your business very early.

Choosing the right legal structure for your business can protect your personal assets and can save you from paying unnecessary taxes. The sooner you structure your business, the sooner you can take advantage of the benefits.

### Types of Business Entities

The most common business structures are:

- Sole proprietorship
- Partnership
- Corporation
- Limited liability company (LLC)

A **sole proprietorship** is a very common, simple structure for a business. This structure gives the owner complete control of all aspects of the business. BUT, it also means that the owner is personally responsible for ALL financial obligations of the business.

A **partnership** is similar to a sole proprietorship, but involves two or more people. The main advantage is profits or losses are reported on the individual partner's income tax returns. The disadvantage is, like in a sole proprietorship, each partner is personally responsible for the financial obligations of the business.

A **corporation** is a legal entity that is separate and distinct from its owners. It is created to handle the responsibilities of the organization. The main advantage of a corporation is that it reduces personal liability, because the owner, or owners of the business are not personally responsible for the financial obligations of the business. The main disadvantages are that forming a corporation is expensive and extensive record-keeping is required.

A **limited liability company, or LLC**, is a hybrid form of partnership that allows owners to gain benefits from both the corporation and partnership forms of business. One main advantage is that this business structure protects owners from personal liability.

There are other, more specialized forms of organizational entities. For instance, you may decide to create a non-profit organization. If you want to learn about these specialized structures, you should seek expert advice.

### **Factors to Consider**

To decide which legal structure is best for your business, you'll need to assess your situation.

First, you'll want to consider legal liability. Is there a lot of risk associated with your business? If so, you may want to consider forming a corporation or a limited liability company, to reduce personal liability and protect your assets.

You'll also want to think about the tax implications of each business format, and what these implications mean for your business. Corporations and LLCs offer certain advantages when it comes to taxation. But do the tax advantages outweigh the costs of record-keeping? And, do they outweigh the initial cost of incorporation?

Then, you should think about flexibility. Is flexibility important to you? Are you used to making all the decisions? If so, a sole proprietorship may be best option.

Finally you'll need to consider the future needs of your business. Do you think you'll sell your business one day? Do you think you'd like to see your children take over? You should be mindful of your future goals when you're deciding on a business structure.

### **Some Words of Advice**

Choosing a legal structure for your business is important.

First, you should get expert advice before you make a decision.

Experts such as lawyers, accountants, and insurance advisors can help you consider all the advantages and disadvantages, as well as your businesses' unique needs.

Second, you should be mindful that the structure of your business may change over time if your needs or the needs of your business change. For example, your business may start as a sole proprietorship or partnership, but evolve into a corporation as it grows and develops.

**Related Business Plan Questions**

Below, you will see a business plan question related to the topic noted above. If you print this worksheet, you can use the space below the question to write down some initial thoughts and ideas.

When you're ready to start working on your business plan, return to the course, and select "Open My Business Plan".

Q: Describe the kind of legal structure you have chosen for your business. Use this space to explain any decisions you have made regarding the format. For instance: Who will be the legal owners of the business? Will it only be you, or will you have a partner(s)? If you do have a partner(s), how much of the business will each own? You can estimate a percentage (e.g.: 50% me, 50% my partner).

Business Plan Workbook #33	
Course	Formalizing Your Dream
Topics Addressed	Compliance with Regulations and Obligations

## Key Points

### Be Mindful of Regulations

As an entrepreneur, you need to be mindful of regulations that may affect your business.

### When You Start a Business

It's important that you take the time to research any regulations, licenses, and permits that apply to the type of business you are starting. A bit of time and energy spent researching could save you time and money in the long run. If you are aware of any regulations, licenses, or permits that affect your business, you can plan for them, and design your business around them.

If you've taken the time to research these standards, then you can plan around them. You can factor in the time it will take to train your employees, the cost of any specialized training, and the cost of any protective equipment that you need to buy.

Be sure to take advantage of local non-profits and government agencies, such as the Small Business Administration (SBA), when it comes to this type of research. They can provide you with information and links to websites that are specific to your location and your industry.

### Levels of Regulations

In the United States, there are several levels of taxes, licenses, and permits that need to be considered: federal taxes, licenses, and permits are set by the US government, state taxes, licenses, and permits are governed by whatever state you live in and, local regulations are set by the city, town, or, in some cases, the county where your business is located.

### Federal

You will need to pay taxes at the federal level. Federal income taxes will need to be deducted from each employee's pay-check. Federal income tax will also be deducted from any profits you make. Depending on the type of business you own, there may be federal regulations that apply to your business operation. For instance, some products such as tobacco, firearms, and some luxury items have specific federal regulations that need to be followed, as well as special permits and taxes. Certain processes, such as hiring are also governed at the federal level.

**State**

At the state level, there may be additional taxes and regulations that you need to be aware of. And you may need to register your company in your state. If you are providing personal services such as childcare, hair cutting, or cosmetology, you or your employees may need to be licensed by the state. If you are selling products to the public, it's likely that you will need to charge your customers sales tax. You will have to remit those taxes to the state on a regular basis.

**Local**

There will be regulations, taxes, and permits that you'll need to think about at a local level. For example, there may be local health regulations for companies that are working with food products. Depending on the type of business you own, you may need a special permit to operate. For instance, if you have a restaurant that is selling alcohol, you may need to get an alcohol permit.

When you're deciding on a location for your business, you need to be aware of the local zoning regulations. Local residential zoning could prohibit the use of your home as a business location. Your local city or county Planning and Zoning Department can give you guidance about locations that are appropriate for your business.

**Related Business Plan Questions**

Below, you will see a list of business plan questions related to the topics noted above. If you print this worksheet, you can use the space below each question to write down some initial thoughts and ideas.

When you're ready to start working on your business plan, return to the course, and select "Open My Business Plan".

Q: What kind of regulations may affect your business? List out any regulations you can think of that your business is supposed to comply with.

Q: What kind of permits will you need to run your business? Make a list of any of the proper permits that might be needed in order to run your business.



Q: What kind of licenses do you need to apply for in order to run your business?

Q: If you are running your business from your home, what kinds of limitations are there for a home-based business?

Business Plan Workbook #34	
Course	Formalizing Your Dream
Topics Addressed	Dealing with Risk/Insurance

## Key Points

### Dealing with Risk

While we know things can go wrong, your business will face risks and challenges that will be hard to predict or outside of your control. Insurance coverage can provide some protection against the negative effects of unplanned events, like workplace accidents, injuries, or natural disasters.

Insurance is the one of those things that you don't fully appreciate until you actually need to use it – the money that you spend on insurance premiums is an important investment to make sure that unplanned events don't threaten the hard work you have put into your business.

### Types of Insurance

There are many different kinds of insurance. You will want to talk to an insurance professional to determine the kinds that are right for you.

#### ***General Liability Insurance***

Most businesses can be well-protected with “General Liability” insurance coverage. This type of insurance is available from most insurance companies that serve businesses. If you have personal insurance for your home or car, you can likely get general liability insurance from the same company.

#### ***Product Liability Insurance***

If you are making a product you'll probably want some sort of product liability insurance. This will protect you in the event that one of your products has a defect or failure that could cause harm to the customer or user.

#### ***Professional Liability Insurance***

If you are providing a personal service, you should consider professional liability insurance. This will protect you in the event that a customer is injured or sustains some kind of loss due to the service that you have provided. You want to make sure you're covered in the event that a customer makes a claim against your business.

***Property Insurance***

Property insurance may be a good idea, if your business depends strongly on a building or facility. This kind of insurance provides protection in the event that the building gets damaged. It covers the cost of replacing or repairing the building and any equipment inside it.

***Worker's Compensation Insurance***

If you have employees, you will likely have to purchase Worker's Compensation insurance, so that you can compensate your employees in the event that they are injured on-the-job.

***Minimizing Risk***

It's impossible to eliminate risk, but you can minimize risks, if you take the time to identify and eliminate potential hazards in your workplace. A hazard is anything that has the potential to harm people and/or property. Hazards can include objects; such as machinery or dangerous chemicals. Hazards can also result from the way that work gets done. For example, a construction company may have hazards related to the way that employees climb ladders, while an accounting firm may have hazards related to the way that employees sit at their desks while doing data entry or other tasks on a computer.

By eliminating workplace hazards, you can lower the risk associated with unplanned events, such as a fires or workplace injuries. As a result, you may be able to lower the cost of your monthly insurance premiums.

Depending on the size and complexity of your business, it may be a good idea to seek advice from a commercial insurance agent. Once you've identified your insurance coverage needs, you should get quotes from a few different insurance companies, so that you can compare prices and get the best possible deal.

**Related Business Plan Questions**

Below, you will see a business plan question related to the topic noted above. If you print this worksheet, you can use the space below the question to write down some initial thoughts and ideas.

When you're ready to start working on your business plan, return to the course, and select "Open My Business Plan".

Q: What kinds of insurance coverage will you need? What steps will you take to minimize risk in your business?

Business Plan Workbook #35	
Course	Turning Your Dream Into Reality
Topics Addressed	Setting Your Goals

## Key Points

### Why Should You Set Goals?

You'll need to put a lot of thought into setting and reaching goals for your business.

The entire process of launching a business could be thought of as setting a lot of small goals and reaching them one at a time. In fact, when you take a large project and break it down into smaller, more manageable pieces, it is easier to complete and to see your progress. The same is true of running a business. It is important to recognize your progress and celebrate each success. Setting and meeting goals can help you do this.

### How Do You Set Good Goals?

Setting and achieving goals is an important part of being an entrepreneur. The trick to setting good goals is to make them SMART: specific, measurable, actionable, relevant, and time-bound.

A **specific** goal makes it clear that you know exactly what you want to do. A goal that is **measurable** means that you will know when you have achieved it. A goal is **actionable** when you are able to do what it takes to achieve it, and a **relevant** goal is the right goal for your situation. Finally, when a goal is **time-bound**, you have a date by which the goal will be completed. Some entrepreneurs may set goals for each week or for the month or year.

### Using Your Business Plan to Identify Goals

If you are wondering where to start with your goal setting, your business plan is a good place to look. From here, you can identify specific goals from the main areas of: management, marketing, finances, and operations. In a way, your business plan is just like an all-encompassing action plan.

**Related Business Plan Questions**

Below, you will see a list of business plan questions related to the topics noted above. If you print this worksheet, you can use the space below each question to write down some initial thoughts and ideas.

When you're ready to start working on your business plan, return to the course, and select "Open My Business Plan".

Q: Think about the things you value most. Write them down. Next write down the values you want your business to be known for.

Q: Describe how you plan to grow your business. Do you plan to move into other markets or add new products or services, or do something else?



Q: Write down your detailed marketing goals for the first 3 months following the completion of your business plan.

Q: Write down your detailed management goals for the first 3 months following the completion of your business plan.

Q: Write down your detailed operational goals for the first 3 months following the completion of your business plan.

Q: Write down your detailed finance goals for the first 3 months following the completion of your business plan.

Q: What are the key marketing, management, operational, and finance goals that you hope to achieve in your first year of operation.

Business Plan Workbook #36	
Course	Turning Your Dream Into Reality
Topics Addressed	Using Your Allies and Resources

## Key Points

### What Are Allies and Resources?

Allies and resources can help you overcome any challenges that stand in the way of your business goals.

Allies are the people that you can reach out to for help and resources are the things that you can use to overcome challenges.

### Finding Allies and Resources

We all have allies and resources available to us, but sometimes we don't realize it because we haven't taken the time to really think about what help might be available to us, if we just ask for it.

Of course, you'll look to your friends and family to be your allies, but don't stop there. Allies could be friends-of-friends, people who work for organizations that help entrepreneurs, or people who are within your networks or even someone you admire, but don't know yet because you haven't introduced yourself.

Taking the time to ask for help can be well worth your while.

In addition to the people, or your allies, that can help you overcome challenges, there are also resources that may be available. For instance, if you need more information, you might be able to go to a local non-profit, trade association, or women's business center, visit local colleges, the library, or even get answers from your local government. Or you might be able to learn what you need from other training programs or online resources, and remember that DreamBuilder has many tools and templates that you can refer to. If you need more financial resources to solve a challenge, you might be able to work with a bank, find a grant, or take a loan from a family member. There are many types of resources available once you start really looking for them.

**Related Business Plan Questions**

Below, you will see a business plan question related to the topic noted above. If you print this worksheet, you can use the space below the question to write down some initial thoughts and ideas.

When you're ready to start working on your business plan, return to the course, and select "Open My Business Plan".

Q: Describe the support and resources that you will rely on to achieve the goals you have set. Take some time and really explain this!

Business Plan Workbook #37	
Course	Turning Your Dream Into Reality
Topics Addressed	Creating an Advisory Board

## Key Points

### Advisory Board

If you find yourself faced with a particularly difficult challenge and you're not quite sure what to do, you might want to get the opinion of people who do not work for you, but have special knowledge that could be helpful to you and your business.

A great way to have such a person readily available to you is to set up an informal "advisory board". An advisory board is a small group of people that you can trust to help provide guidance and direction for your business. They are not involved with your business on a day to day basis. Instead, they're just there when you need their help. Sometimes advisors are called mentors.

### Choosing Your Board Members

The following are some things to consider when you're setting up your own advisory board.

An advisory board should be composed of people who have experience in either the market you are targeting, the product or service you are providing, or in running their own business.

You'd be surprised at how willing prospective board members will be in accepting an invitation to join your advisory board to help you with your business. Some may find it rewarding to help build new businesses and serve the community by creating job opportunities.

Often advisory boards will meet once a month, but sometimes it's a good idea to set up an additional, one-on-one meeting with a particular board member.

An advisory board also adds to the credibility and stature of your company; an advisory board with well-known successful people will demonstrate to outsiders that your advisory board members believe in your business and that you are being intelligent about the way that you are going about launching and building your business.



**Related Business Plan Questions**

Below, you will see a list of business plan questions related to the topics noted above. If you print this worksheet, you can use the space below each question to write down some initial thoughts and ideas.

When you're ready to start working on your business plan, return to the course, and select "Open My Business Plan".

Q: List the people you plan to include on your advisory board. What background and experience does each of these people bring?

Q: What do you want your advisory board to help you with?

A large, empty rectangular box with a thin black border, intended for a user to write their response to the question above.