

Lead to Next Level

Smart Business Philosophy

Smart Business Plan



Master Steve

Smart Business Book Series

Smart Business Plan

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Contents

Introduction	5
Chapter 1: What You Need to Know before Writing a Business Plan	6
a) What is a Business Plan and Why do You Need It?.....	7
b) What are the Applications of a Business Plan?	10
c) When Should You Write a Business Plan?	13
d) Sources of Writing a Business Plan	14
e) Different Versions of a Business Plan	17
Chapter 2: How to Write a Business Plan.....	22
a) Define Your Objective of Writing a Business Plan	23
b) Tell the Story of Your Business	24
c) Write a One-page Business Plan	28
Chapter 3: Structure and Topics of a Business Plan	29
a) Executive Summary	33
b) The Company's Vision, Mission, and Goals	36
Vision Statement	36
Mission Statement	37
Goals.....	38
c) Industry Analysis	39
d) Market Analysis	40
e) Customer Analysis.....	44
f) Competitor Analysis	48
g) Identifying Internal Weaknesses and Strengths, External Threats and Opportunities(SWOT)	51
h) Production Plan (Products and Services).....	54

i) Management and Organizational Plan	55
Securing Human Resources	59
j) Sales and Marketing Plan	62
k) Details of An Operational Plan	67
l) Risk Management	72
m) Financial Resources Plan	75
n) Exit Strategy	78
o) Strategy Plan	79
p) Business Plan Appendix	80
q) Cover and Content of a Business Plan	81
Chapter 4: Some Highlights on Preparing a Business Plan	82
Chapter 5: Business Plan: Evaluation, Revision, and Update	93
a) Evaluating a Business Plan	94
b) Test a Business Plan	97
c) Updating a Business Plan	98
d) Revising a Business Plan	99

Tables and Figures

Table 1. Market Analysis	42
Table 2. Customer Analysis.	47
Table 3. Competitor Analysis.	50
Table 4. Human Resources Characterization	58
Figure 1. SWOT Matrix	53

Introduction

If it has happened to you to sit with people who have launched a business, they must have told you how difficult this job is and how many details are involved in the process- the details you had not thought of before starting it. It makes no difference whether you intend to start a multi-million-dollar international business or launch a small shop in your neighborhood; various factors and variables are going to surprise you on your way!

A business's nature is inherently involved with uncertainties and risks, which are sometimes unavoidable. Still, you can control the risks by having a roadmap and a plan. A business plan is a great tool to manage your business. In a business plan, you make a plan for any case you may encounter. If you are not equipped with a plan, any of these included items in a business plan can make your business fail. Therefore, you need to know how to write a business plan.

This book teaches you how to write a smart business plan, i.e., how to formulate a plan for your business by taking a comprehensive view from various perspectives.

Chapter 1

**What You Need
to Know before
Writing a
Business Plan**

a) What is a Business Plan and Why do You Need It?

In general, a business plan is a set of plans and ideas that you have in mind for doing your business and it is *the roadmap of your business's future*.

You need a business plan before starting any business of any size, ranging from a barber shop to a doctor's office, restaurant, or an automobile manufacturing company, and any other business model.

1

By having a business plan, you look at your path more clearly. Each one of us can think of various routes to do a simple job such as going to an address, routes that haven't occurred to anyone else's mind, and we may change our course even when we have been already on the way; we may go on a path which is not the route we have chosen from

the beginning. There are various methods for every task in business, as well. Therefore, you write a business plan to outline a clear path. This then helps you become better in whatever you do or whatever business you plan to do as you already have a well-mapped-out plan.

2

In your business plan, you define a future for your business. Otherwise, you won't succeed even by performing the best tasks, and your activities will lack the required coherence.

3

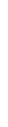
Writing a business plan helps you evaluate the business. You need to analyze constantly while writing a business plan. During the writing, you may conclude not to start that business at all.



Business plan is a tool for you to realize whether a business is profitable or not.

4

5



The chance of success in a business is associated with that business's nature, and *a strong business plan can help you achieve such success.*

“

One cannot say whether a business plan is successful or not, but it can be said whether it is prepared strongly or poorly.

6



Managing the business based on a certain order is another advantage of a business plan. By having a plan, you can launch the structure and formations of your business and move forward.

7



A business plan is a comprehensive guide in all stages of starting a business, and it prevents making mistakes in the course of a business.

b) What are the Applications of a Business Plan?

1

Providing the capital through banks or investment companies is one of the applications of a business plan. If you lack a fully standard business plan, you won't be able to introduce your business to an investor. Instead of hearing you beating around the bush and giving verbal assurance, an investor is interested in reading your business plan. If you don't have such a thing, you can't have any hope for absorbing any capital for your job.



Don't be afraid of discussing your idea with the investor. the idea you have has already occurred to hundreds of thousands of other people, thousands of people are actively carrying it out, hundreds of people are working on it even more seriously, and tens of people are implementing it.

2

Another important application of a business plan is building a work team and gathering people who want to co-operate with you, whether as partners, employees, or any other titles. In order to do so, you need to offer your business plan instead of talking about plan for hours to attract people's attention to your business. Offer your business plan to people instead of trusting yourself, starting to talk, and trying to recruit people. They will check whether there is a place for them in the corresponding business or not. If they find a place for themselves, they will get into the project and collaborate with you.

In the first step, offering a business plan shows how serious you are in the work you want to do. In the second step, people realize that you have a plan for your idea.

3

Absorbing suppliers and service providers in an easier way is the other application of a business plan. Some businesses work with various suppliers. Some large service providers don't take rookies seriously and are not willing to work with them. Mapping the path that you want to go through, the one included in your business plan, can help you absorb these people.



c) When Should You Write a Business Plan?

You need to write a business plan when you are determined about starting your own business.

“When you are done about selecting your business, the business plan is initiated.”

Writing a business plan may even take up to six months. Don't assume that a business plan should be finished in twenty days. You may decide to start your business in the next six months; therefore, you gradually write your plan during this period.



d) Sources of Writing a Business Plan

The method of writing a business plan has completely changed over the past few decades. In order to write such plan, you need to search, investigate and analyze various topics which are extensively explained in the following sections.

In past years, in order to do a simple research, we had to study different books which were mostly out of date to get some results or we had to ask others for help. However, Google presently gives you many ideas about everything, and there are numerous resources to guide you.

Present analysis tools have made it quite easy for us. The fact that doing a research has become remarkably easy and multiple sources are available allows you to do the job using these tools and resources even if you lack the sufficient knowledge for it.

There is no harm in reading any sources. Follow articles more than you follow books. Articles teach you interesting tips and hints. Try and read the articles written by people who own a business and are involved in actual business activity. This gives you first-hand information that can easily work for you.

By googling, you find various tools for writing a business plan. Use Google Keep, especially for taking notes. This application is like a modern scratchpad, and you can also share your text with other people.

Using these applications increases the efficiency. There are several applications which are either web-based or you can install them on your computer and use them offline. Applications offer you interesting tools that you can use to facilitate your work and avoid making mistakes.

There are also many informative books and you will gradually realize which one is practical for you. Many books and articles either are not suitable for your business or don't suit the form of your business. *If you find resources appropriate to the structure of your business, you can learn more quickly and easily and implement them.*

While writing a business plan, you are analyzing and explaining what will be done for yourself. You extract facilitating answers from the researches you do towards writing your business plan.

In order to prepare the business plan, you must be aware of all the details in the course, how to do the job, and the resources required for your business. Perhaps it is not irrelevant to compare writing a business plan to planning a trip. In normal life, we ignore details in our planning. For example, to have a car trip, we go ahead simply by checking the fuel level and suitability of the car. However, if you carefully plan for your trip, you must be aware of certain details such as the following items beforehand:

- You must know exactly how many kilometers you will ride and how much fuel you need for it.
- It is not enough to have a mechanic tell you that your car is OK. You must check your car again and make sure of its technical safety.
- You need to know which part of the road is paved and which part is unpaved.
- You must check the weather in the route to your destination.
- You need to plan for preparing food on your way.
- You need to know how long you are going to stay at your destination.
- You must know why you are going to your destination.

Therefore, you must know all the details in writing a business plan and plan for them.

If you have a startup, you won't have any departments at first. The early founders are practically busy writing the business plan. Still, if you have turned into a company, you can assign responsibilities to other departments and engage them in writing other parts of the business plan. In this case, have a leader for each section, someone who coordinates various parts of various departments and gives order to the business plan. If you have different departments, you will certainly do better research. In addition, since this business plan belongs to working companies, the items are clearer than those for businesses that are about to get started from scratch.



The definition of your business's future must be quite clear and experts need to do it. Sometimes, business owners also prepare a draft and ask for experts' help to complete it.

e) Different Versions of a Business Plan

To write a business plan, we face one of the two following cases:

The First Case

is when you write a business plan to start a new business.

The Second Case

is when you write a business plan for a currently working business which either is traditional and lacks a business plan or has a plan but its plan is old or out of date for some reasons. In this case, you have to either write a business plan for it from the beginning or change the previous plan according to the new circumstances.

Since we are discussing smart, not ordinary, writing of a business plan, you, as someone who acts smartly, need to prepare multiple versions of your business plan.

1

Before anything else, prepare *a general schema or your business model canvas*. Like a blackboard, a business model canvas is always in front of you so you can see the generalities of your business plan.

2

A mini plan or a summary plan in four or five pages is another version of the business plan you need to have. You can use this version to recruit employees or offer it to a supplier. You must be able to refer to the mini plan quickly and send it as the compact version of the plan to various people. In this case, you can show that you have a plan for your work.

3



The complete version, *working plan*, contains more details than the previous versions and it is designed for your domestic use. In this version, you must show that you know the ins and outs of your own business. Every point that occurs to you is written in this version. Think about every issue and decide how to tackle them. This version turns into a working version by adding and removing certain parts.

A business plan is normally between ten to thirty pages, but it can be up to

hundreds of pages in long term through the applied revisions. ***What matter is that you have written down all your ideas and plans for your business.***

Don't get excessively preoccupied with volume and number of pages. Nothing happens if this volume increases or decreases depending on your need.

Of course, if the working plan which is the complete version and is adopted in domestic uses contains only eight pages, you must be scared a little bit. Be aware that you probably don't know how to write a business plan because no one can write down the entire details of one's work and end up with less than thirty – forty pages even for small businesses. There are numerous issues and if you predict them, the number of pages will be more than this number.

Preparing the final version is time-consuming. It may be written in two or three days or it may take thirty days to be completed. What matters is that it is not unalterable, and you can change it during time and according to what happens. The more details this version contains, the better you show how much information you have re-



garding your business. When you intend to launch a business, it means you know how to do it, you claim that you know the ins and outs of your own business, and you have used all of your information in preparing the working plan. ***Relying on memory is out of place here; all points must be written.***

4

The next ***version*** is the plan to offer to ***the investor***. The investor takes you more seriously as the plan they see of you becomes more precise.

5

Another version is the introduction version used for ***presentation***. You prepare this version in order to introduce your business in seminars. Sometimes, you need to present your executive plan in a short session or during a limited time in a seminar. To do so, you need to have a version that contains the important and prominent points of the business plan.

In comparison to *the business roadmap*, a *business plan* is more detailed. Still, they both are similar in terms of title and generalities and, the difference is that a business plan takes a comprehensive and integrated view to the entire set. At the same time, you can prepare the roadmap separately for each section. Preparing the roadmap is unnecessary, but writing the business plans is one of the crucial parts of any business and is unavoidable.



Prepare your main business plan according to its application and audience in several different versions.

When you intend to write a business plan, you need to know for whom you are presenting it. The business plan can be:

- Domestically adopted for your personal use.
- Written to absorb investors. The version you present to the investors is typically way more complete.
- Written to absorb the work team, partner, and employees. Such plan can be of various models such as the model for an employee who wants to work for you. For example, you may only introduce the marketing and production section for an employee you want to hire. This is based on the business you run, but a part of it must be in all versions.

Chapter 2

How to Write a Business Plan

a) Define Your Objective of Writing a Business Plan

Before starting to write your business plan, define a set of your objectives in one page. Your objectives must be clear and measurable by various tools and criteria. For instance, you say that you want to rent the shop located on your street to start a business. Or as an example, you intend to reach a point where you gain 5 percent of the online market in your country in a certain area within a given period. Assessing the measurable objective is much easier.

To gather more information about smart goal setting, you can read my other book, "Smart Goals".



b) Tell the Story of Your Business

Write a summary of your plan for your business as a starting point for your business plan. It is important to start your story from somewhere and see in form of a short story what you will be doing to the end and what you want to do in the course of your business.

Write in form of a short story the entire path you have in mind for starting your business, so you can keep referring to it and use this story as an intellectual source. Think about where you want to get and from where you start. Just write it down so you can clarify the objective and the route for yourself.

While writing the story, avoid being complete and precise, and forget about checking the literary rules. If you want to concern yourself too much with the literature, you will lose the main idea. Instead of focusing on your writing prowess, make sure you don't miss any point because this is your draft which is going to be gradually completed.

There is no need to censor yourself. Write down an objective even if you think it is beyond your capabilities. As you move forward, the necessary items will be corrected and you will research each topic. Everything you write in form of a short story is usable. What matters is that you are able to implement everything that has occurred to you at the end of the story.

In fact, you write the following items in such short story:

- Who are you?
- Who are the members of your work team? What businesses are they involved with?
- Do these people know what exactly to do and what business to implement?
- Do you know what problems you solve for your customers by starting this business?
- How do you intend to carry out the plan?
- Where are your customers?
- What plan do you have to find them?
- Who are the other people who do this job?
- What can be done to achieve the least number of objectives you have set?
- What are the methods of profitability?
- In your short story, make it clear for yourself whether companies, final customers or both are the target market for your business. If your business is a B2B¹ type of business, the practice is different from when your business is a B2C² type of business.

1. Business to Business
2. Business to Customer

Your target market may include both groups of businesses and final customers.

If the type of services you provide for businesses differs from the one you provide for customers, you must implement various strategies for marketing and service providing for these groups. For example, a small restaurant provides the same service for ordinary people and companies and does not have a different strategy. However, an educational institution has two different strategies for ordinary people and organizations.

- In the brief story you write about your future business, determine to some extent your financial status and the method of securing capital for your business.

The method of securing capital can be borrowing money. In this case, think about some factors in the initial story of your business:

- ✓ How possible is it to borrow money and to what extent can you count on it?
- ✓ How much can you borrow at most?
- ✓ How influential is the interest you have to pay for the loan on expenses of starting your business?
- ✓ How much time do you need to repay the debt?

Define borrowing money in the initial story of your business precisely. A business can't be launched by possibilities or ifs and buts, and you must count on facts and what you have at your disposal to be able to make plans. Therefore, you should not start your business hoping that you can borrow money, unless you have become certain and all details have become clear to you.

- In the story of your business, think about when you are going to become profitable. Are you going to generate revenue from the first day you start your business, or do you have to go through a certain period?
- While crafting your business story, think about your products' pricing system and the profit you have considered for yourself.
- In the business story, estimate the costs, incomes, and production rate using simple calculations. When looking at these simple calculations, you see how real things are and how much change is needed.
- If your business needs a physical place, think of its geographical location.
- Define what type of people your work team must include. Such definition makes you determine the process of tasks especially when you write an operational plan.

c) Write a One-page Business Plan

When you write a plan for your business, start with a one-page plan. Keep that page in your pocket or have a softcopy on your mobile phone because it needs to be with you everywhere so anytime a new idea occurs to you, you can add it to the plan. Someone who takes him/herself seriously and respects his/her own written plan can claim he/she is acting smartly. In this case, the likelihood of failure decreases.

In the first step, prepare a one-page text about general titles of your business plan. This single page is, in fact, your preparedness for entering the stage of writing a business plan in full.

- Write down whatever comes to your mind for crafting your business plan without organizing anything.
- Just write down the titles without bringing up the details of what you want to do.
- This page is your draft and can be written on paper in various applications.

Chapter 3

Structure and Topics of a Business Plan

Some standard structures have been defined for a business plan, *but all of them are more or less the same structure-wise and only their templates and formats are different* in various areas; some of them have fewer topics, and some of them have main and secondary topics. Even the US and Canada may have different business plan formats while their business structures are closely similar.

To write a business plan, you can use already-available and predesigned samples and templates. While it can't be said that an accurate yet strict standard has been observed in all of them, one can try and consider them from various aspects and create out of these templates a suitable combination, something we call a *smart business plan*. This means you have taken into consideration all aspects of a formulated plan for your business and view it from various perspectives. Secondly, the structure given in this book is not usual for all business plans. This structure is quite practical and gives you a free hand to prepare other types of plans.

While crafting a business plan, forget all about the standards. Some titles may have been less addressed in some business plans, and others may have been stated more extensively. Some topics are completely omitted or merged with other topics in some templates.

Anyone can use a business plan structure that suits his/her business; that is, you implement a certain method based on your business type. For example, an automobile manufacturing company and a small store both need a business plan, but the automobile manufacturer may require thorough and profound analyses in the economic and industry analysis which are not needed in a supermarket.



Instead of searching for business templates, search for business plan samples. Template is a structure and you better read the samples to find out about various people's ideas in various businesses.

You need to answer some questions before starting to craft the business plan. These questions are the same topics you consider in a business plan and must have thought about them beforehand.

In the following sections, *you learn the topics of a smart business plan in detail*. You often think of these topics but don't know how to classify them because you haven't worked with them just yet.

Generally, the following topics must be covered in a smart business plan:

- a) Executive summary
- b) The company's vision, mission and goals
- c) Industry analysis
- d) Market analysis
- e) Customer analysis
- f) Competitor analysis
- g) Identifying internal weaknesses and strengths, external threats and opportunities
- h) Production plan (products and services)
- i) Management and organizational plan
- j) Sales and marketing plan
- k) Details of an operational plan
- l) Risk management
- m) Financial resources plan
- n) Exit strategy
- o) Strategy plan
- p) Business plan appendix
- q) Cover and content of a business plan

a) Executive Summary

This section is a summary of your business plan. The volume of an executive summary depends on the generalities of what you want to do. In this section you provide a brief review of your business's concept. This means that the reader must realize

- What your business is generally about?
- What product you intend to sell?
- What goal you pursue by choosing this type of business?
- What target market you have?
-

This section summarizes all the issues the reader is going to confront in the next pages of the business plan. Here, you may briefly talk about every single topic you have in the next sections, items such as the financial plan, the target market, the marketing plan, the type of your business, the available opportunities, who your competitors are and how they work, what competitive advantage you have over your competitors, and other features. Stating all these materials must be included in one or two pages.

In an executive summary, you declare with highest clarity what you want to do using which specifications and plans.

Your writing account must indicate your strength for entering the market. If it's not the case, as you will go forward, its adverse effect will appear and when you make different copies for the investor and the bank, this problem will become obvious.

Meanwhile, as you keep things short in this section, you need to go on orderly and vigorously. When you prepare different versions of your business plan, this section is a part that always changes according to the audience.



The reader of a business plan may often avoid checking the pages which come after the executive summary and make the positive or negative decision based on this section. Therefore, you must write a summary of your business plan in these two or three pages in a quite simple, clear, and organized manner. You must also prepare it in different versions depending on your target audience.

This makes you act more effectively because you are sure that more than 50% of those who read this summary don't even take a look at the next pages and only half of the readers check the details. In addition, people who read the rest of the business plan are impressed by the executive summary and that's why they have decided to read the rest of it.

A reasonable technique you can use to assess the extent of achieving your goals is to ask various people to read it and tell you their impression. Since they simply tell you what they conclude from your writings and don't have any idea, they are suitable options to assess your craft. If their conclusion is the same as the one you intended to convey, there will be no problem. Otherwise, you need to correct your writing and refer to other writing methods or standards. Try and find out whether the reader has failed to comprehend the entire text or only some parts of the text need to be corrected.

Taking a third person point of view and keeping a time distance after the preparation, you need to check the summary, as well, and see whether you understand the concepts you were trying to convey. The reader of this summary must realize what your business is.

You get to the details of a business in the next stage. At this point, you should carefully explain what you intend to do for your business. Provide an exact definition of what you have as a plan to start and proceed your business.

It is crucial to add the details in this section. Don't forget that this is the preliminary version and you will consequently change it. Therefore, there is no need for editing and selective writing. Jot down whatever you have in mind and then correct it. Ensure you update the necessary information as you deem fit. The first version you work on is always the version on working plan which is the most detailed one and you write the other versions based on this plan. You write in working plan whatever comes to your mind.

Objectives, vision, and mission are written after the executive summary is done.

b) The Company's Vision, Mission and Goals

Vision Statement

Define a vision for your business by taking the realities into account, and write the vision in this section. Where do you want your business to be in the next 5 to 10 years?

After you are done designing your preliminary story, try constantly to take a realistic view and avoid writing down your wishes, but rather see your business's future based on realities, available capital, and the team you can build.

“ There is no place for wishing in a business plan. The path towards dreams is not a lift but a ladder. Making wishes true is hard but achievable. ”



Mission Statement

The mission or the existential philosophy of your business is the intention you had in mind when you decided to start this business. In comparison to vision, mission is more real; it is a task to be fulfilled that you consider for your business and must be apparent during the entire path and in your company's activities.

The company's mission is different from the financial and profitable goals you have considered. Every business is ultimately looking for earning money, but each business's mission may be different. For example, consider Companies A and B, both operating in selling a common product online. Both companies are looking for raising their sales and gaining more market share. However, Company A's mission is to promote the culture of online shopping in the country, and the Company B's mission is to provide access to various products in remote and disadvantaged areas. So, as you see, mission is a social role and persona you are to play in the society and differs from personal, organizational, and financial goals.

As long as a company exists, its mission is also present. In addition, the distinction between mission and vision is that the former exists in present time from the moment a company starts to work, but vision is an image of future which may or may not be realized.

Goals

A business's goals are mostly financial. In this section, write down any type of goal you intend to achieve by launching your business. Define the goals realistically, measurably, and achievably. Set a reasonable deadline for accomplishing each goal. For example, you consider a series of goals for the first six months of the year and set other certain goals for the first year. Hence, define all your goals along with a suitable schedule.

The first and most important drawback in setting goals is to consider only one objective. In this case, all your efforts will be in vain if you don't achieve the single goal you have set. Therefore, don't start any business simply based on a single goal. Rather, always define a set of secondary goals that are required to achieve one or multiple final goals.



c) Industry Analysis

In this section, you need to do research and check:

- What is the history of your targeted business?
- What is the current status of your targeted industry?
- What is the future status of the industry you intend to enter?

Sometimes, you can find articles which have analyzed the future of your targeted business. These articles extensively help you in developing a view and attitude to the business and its pertinent industry.

Studying and doing research help you decide whether you actually want to continue the business in question. It also allows you to know what methods you need to apply to proceed if you actually want to do it.

When you start your business, you practically lose a huge part of your focus and get completely preoccupied with what you want to do and which direction you need to go. Therefore, many pieces of information that currently seem obvious to you get out of your mind during the job, unless you properly classified these pieces of information and kept a summary of information and its analysis in an orderly fashion when formulating your business plan and having time.

You may have gathered thousands of sources for a project, but you only apply in your business plan the analysis of information and ideas that have occurred to you, so by referring to this plan, you always know what the market status is and who and what your competitors and target market are.

d) Market Analysis

Analyzing the market of a business that you intend to start is another item to consider in your business plan. Investigate the following items:

- What is the size of your target market?
- What is the current status of this market? How has it been in the past and how is it going to be in the future?
- Predict what is going to happen in the market.
- What services are provided in the market?

To craft this section, prepare a checklist of whatever you need to know about the market and evaluate and assess them constantly. Sometimes, you can also find the market gaps in the checklist. You realize what has not happened in your market, or if happened, what has not been properly implemented. You can also find out about an item that has entered the market when the technology was not as advanced as it is or people were not ready to use this item, but they are now ready and able to use it, indeed.

There are several applications for market analysis. It is often a source for you; that is, you refer to it anytime you need to examine a part of your market.

It is quite important to have information when you want to decide the job you want to do. ***You need statistics to know the market size.*** There are various information and statistics in some countries, and you easily determine the market size accordingly. The consumption rate is equal to the sum of production and import. You can first check the statistics given by the Customs in order to determine the import rate.

Sometimes, the market size can be found based on companies' financial statements. In developed countries, financial statements are published. Providing this information depends on the type of a business.



The larger a business, the more public its usage and the easier its characterization. On the contrary, the smaller a business, the harder knowing the market size, unless you think out of the box, act smartly and develop creative methods.

To identify a market's features, you don't have to find the information about the same market. Check people who provide services to that market; you may know the market through them. You can also do this through syndicates and unions. For example, suppose a business's union has 10 thousand members. In that case, you will guess how many people are active in that business as it has 10 thou-

sand members in its union. The high number of competitors in a business is not always bad. For example, one can't withdraw one's wishes to open a restaurant simply because there are too many people in the restaurants' union. You must consider the market needs and the proportion of supply and demand.

Some websites sell the information on market sizes, but you don't need to buy information. A great deal of this information is available. For example, if you go to the US Customs and the Canada Border Services Agency, all the analyzed information is available. You just need to be able to find the methods of identifying the market size.

To gain tangible results out of the research you do, record the analysis results of each stage in a table like Table 1. Using this table both in writing a business plan and crafting other necessary items such as a marketing plan, you have the key results at your disposal and can easily make important decisions according to these results.

Table 1 is a sample of market analysis. You can prepare such a table for your business according to your unique circumstances.

Market Size	Market Status	Market History	Market Future	Future Influential Factors	Market Growth	Import and Export
1.5 Million Dollars	Growing	A Period of Growth Two Sequential Periods of Regression	As- cen- ding Trend	Techno- logical Advance- ment in Crypto Currencies	4%	Only Export

Table 1. Market Analysis

After analysis, you may cancel on starting a job, or on the contrary, you may find such a position in that business that you make others your partners. The others' presence is due to two reasons: it is because of either the capital or the setting resources they can offer you. Consider these points as a part of your strategies to enter a market.



e) Customer Analysis

Customer analysis, in other words, identifying the audience/customer, their goals and characteristics, is one of the most important items you need to consider in the business plan.

Business is any activity in exchange for which money is received, and the person who pays you the fee is your customer; his/her money is the basis of your business.

Analyzing the customer means:

- Who are going to be your target customers?
- Identify your customers' location, gender, average age, and other important demographic variables.

The target market is determined either based on geographical location and or based on the type of buyers. The buyers may not have any specific location and be dispersed in various places. For example, the owner of a supermarket thinks about the geographical area in his/her surroundings while writing a business plan, but the baby stroller manufacturer provides his/her product throughout the country.

While starting a business, the smaller you make your target market's location, the better results you achieve.

- Other important items, such as the target market's cultural and behavioral features, must be determined if you intend to have an international business.
- These tips are not just for international cases. Even in an extensive market such as the US's, the northern, southern, eastern and western parts don't have similar marketing and their target markets are different.
- After identifying the target market, you need to identify its needs and see what products your target market requires.
- Latent needs are a part of the target market's needs. You are aware of some of the needs, and you identify some other ones by studying your competitors.

The products and services your competitors provide are the clear need of your target market.

If you take a smart perspective, you will realize what your customers need along the present demands. In this analysis, you can research details and add questionnaires, field and online research to identify the consumers' needs and resolve their other needs as you enter the market.

“ Every business resolves a need or improves the solutions for meeting a need.”

Just like your competitors, you enter the market to meet the customers' needs. The jump point is to offer new products and services by identifying the consumers' potential needs or finding novel supply methods. Change in product is not always necessary. A different supply method often changes everything. For example, Uber has not revolutionized the transportation system. Taxi has already existed; they just changed the supply method, applied technology and facilitated the passenger's way to take a taxi.

If your business does not meet any need or does not offer an optimal solution for a problem, you must start to worry. This issue is one of the problems that make you drop the case of starting a business. You do not necessarily get to this conclusion at the end of the business

plan. In Canada, someone spent tens of thousands of dollars to research the poultry and egg industry just to establish a poultry factory farm. He eventually realized that the area was saturated, so he dropped the case of starting the business and prevented his million-dollar loss.

Basically, a need is not generated but it is most of the time latent. New needs emerge when a new product enters the market. This need has already existed but no one had paid any attention to meeting it. A smart view is to see what happens in the field of technology so your business can be synced with it or get ahead of it.

Check how consistent your plan is with the target market.

Write down in a table like Table 2 the results obtained from researching customer. These results help you in cases such as marketing methods, product packing, distribution, etc. So, you can do the most proper job which brings you customer satisfaction.

Gender	Age	Education	Location	Language	Social class
Female 87% Male 13%	25-40	College	Canada	English French	Middle

Table 2. Customer Analysis.

f) Competitor Analysis

Write down the result of research conducted on your competitors in this section. Before starting your business, you need to know three following items about your competitors:

- Identifying the competitors
- Identifying their share in the market
- Identifying the competitors' activity and performance

Identifying the competitors is sometimes quite simple and sometimes extremely complicated. Complicated means that if you are a rookie in what you do and don't know much about it, there might be many competitors you don't know.

Make a list and write your competitors' names. Then check the following items:

- What is the place of your competitors in the market?
- What market share do they have?
- What products and services do they offer?
- What kind of advertisement do they use?

Having this information, you can somehow analyze your competitors. Competitor analysis is helpful in creating a workable business plan and marketing plan (the plan you prepare later). It can also stop you from starting the business in the first place. For example, the competitors' size may change your mind.

After gathering information on your competitors, identify the assets you are bringing to the market. Sometimes, a market such as a restaurant business is so huge that you can also enter it; however, you need to search for your keys to success and identify your comparative advantage.

The competitor analysis helps you in crafting the road-map and making the decisions.

“ You need to be either quite different from your competitors or exactly like them, but add innovative methods to your work.

As you can see, the hypothetical information obtained from competitor analysis is recorded in Table 3. You should make a table similar to this one about your competitors and keep updating its information based on your competitors' changes in their businesses.

Competitors	Market Share	Services	Advertisement	Comparative Advantage
A	10%	- Sales - Installation - Guaranty	- TV Commercial - Billboard - Online	- History - Access to International Markets - Suitable Location
B	6%	- Sales - Guaranty	- Print Ad - Radio	- Offering Credits to Customers
C	7%	- Repair Services - Installation	- Online - Ambient	- Professional Workforce - History

Table 3. Competitor Analysis



g) Identifying Internal Weaknesses and Strengths, External Threats and Opportunities (SWOT)

According to weaknesses, strengths, opportunities and threats, you can reanalyze yourself and your business setting at this level. This section exactly talks about you:

- In the first part, see what capabilities and strengths you have in comparison to your competitors. Evaluate your strengths for entering the market and write them down in this part.

If you don't have any comparative advantage or strength, identify your competitors' methods and select better ones in this regard. Sometimes, the market prefers a special method and it will be better if you present yourself using the same method.

- In the second part of this analysis, you need to make a list of your current weaknesses.
- The third part is to see what opportunities are offered in the market through which you can use your strengths and cover your weaknesses.
- The last part is the market threats. What are the present issues in the industry you want to get into? One of these threats is that a new technology enters the market. This new technology affects your work on so many levels or you presently purchase some pieces of machinery which become obsolete in the next five years due to this technology and you will have to buy new ones.

According to the market opportunities, see what solutions you have to get rid of your weaknesses. When you identify your weaknesses and threats, try and find a way to resolve them. You need to ***turn the threats into opportunities***, and in this section, you find out how to do it according to various analyses.

One of the points I always mention is that you need to look at your facts in the mirror because if you don't see your facts and weaknesses, these issues get you in big trouble in more than 90% of the time. Some of these troubles may even make you close down your business. Instead of landing in hot water later on, think about it while crafting the business plan. You know your weaknesses, and the market threats have also been obtained from research, investigation, and analysis. Now is the time to find the solution to tackle these weaknesses and threats and solve the problems.

Assess the general economic status of a country and whatever is pertinent to the economy of where your business is located. Check the currency's status. Are economic factors an opportunity or a threat for you?

Other important items in your research for crafting a business plan include the laws of where your business is located and the issue of technology in your targeted business. You can use assessment forms to evaluate and score each item. This will give you ideas of what will work and what will not. For example, the current industry status is scored as 90 points out of 100, or the economic status is

scored as 50 points out of 100. The sum of scores you consider in your assessments shows the final status of your evaluation and turns into a criterion for the following decisions.

Figure 1 shows a SWOT matrix. As shown here, strengths and weaknesses are internal factors of your business, but opportunities and threats are ambient factors on which you usually don't have any control, and you cannot change them. You need to make the best of ambient opportunities as much as possible and overcome the threats using your strengths. In addition to providing you with full and coherent knowledge, writing the strengths, weaknesses, opportunities, and threats can be a basis for formulating your strategies.

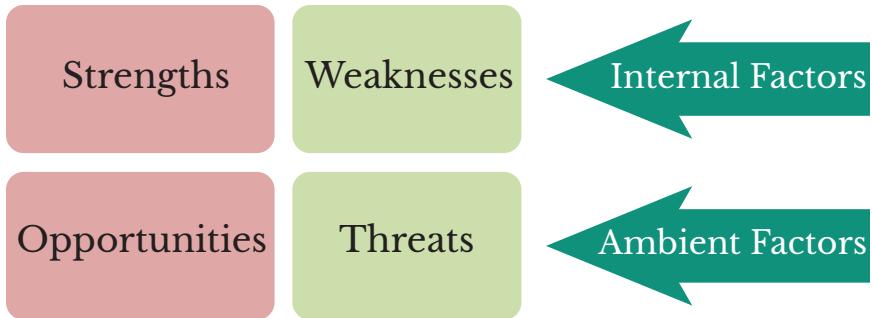


Figure 1. SWOT Matrix

h) Production Plan (Products and Services)

In this section, write in full detail any products or services you will present. You need to know what type of product you want to offer. For example, your product is a bicycle if you have a bicycle shop. Your services may be after-sales. Write these items for yourself in form of titles and think of anything related to this process. This will give ideas of what you do and how you do it to anybody who will transact with you.

Research the products with the highest rate of consumption in the market, while such a thing can't necessarily guarantee a good business.



i) Management and Organizational Plan

This section is about the management and people who are going to manage the business.

- Provide a schematic view of these people's status.
- In this part of your business plan, write the characteristics of all the people who are supposed to run the business. Make this part comprehensive.
- Provide the personal information, education, capabilities, and work experience of these individuals in full details.
- Write their strengths and why each one of them is a suitable option in your opinion.

This section has numerous applications:

- Writing the individuals' characteristics helps you understand better whether you can use these people in other parts of your business or not.
- Employ the individuals in different positions according to these writings and information.
- While crafting this section, you will uncover many of your lost links here and find individuals with pertinent capabilities for various parts of your work. Of course, your business may include one single person and be managed only by that person.

- In this section, write down every point you know about the managers and the work team.
- The other application of this section is for people who are given the different versions of your business plan to examine. This section is of special importance in the version you prepare for the bank and the investor. It determines whether these people can properly manage and use the capital provided for the project by the investor.

If banks and investors have specific formats of their own, make sure you write these characteristics according to their formats. I strongly emphasize this matter because many people who fail to absorb capital for their business plan have made this simple mistake and failed to follow the rules of the formats accepted by companies, banks, and investors in question. In many cases, the plan is read by a software tool. The software tool classifies and analyzes the plan and presents it to the decision-makers. In this case, not following a certain structure results in losing many opportunities. *According to the audience usage and their preferred business plan format, edit the resumes of those that are supposed to be a part of the management team.*

● The other effect of this section is apparent when you intend to find a work partner. This section is one of the first parts your potential partner evaluates. He/she takes a look at the resume of the rest of the team, and this item is one of the reasons for him/her to decide whether to become your partner. Craft this section with utmost preciseness and accuracy.

Don't prioritize individuals' academic achievements. Before listing these items, try and list the strengths of people who work with you.

Someone who has learned the job experimentally may be more knowledgeable than someone who has the degree for the job in question. Therefore, academic achievement is not a good comparative criterion. ***Focus on individuals' working capabilities instead of their academic degree. Experience is knowledge.*** Theoretical knowledge is fine, but experience is of greater importance.

You need to prove that people you have considered for the business management can administer your plan.

In this stage, you need to create a table to have more coherence and write down the characteristics and information of all the people who will work in your business, take a responsibility or hold a particular position.

The following table is shown as a hypothetical example which you can use to get inspired and create your unique version according to the features of your business so you can have a clear and specified status for your company in terms of human resources and their capabilities both for yourself and for those who read your business plan.

Full Name	Position	Strengths	Work Experience	Academic Degree
A	Product Manager	<ul style="list-style-type: none"> - High Work Accuracy - Familiarity with New Methods - ... 	10 years	Bachelor of Business Administration
B	Marketing Manager	<ul style="list-style-type: none"> - Work Well Under High-Pressure Working Environment - Open to Criticism - Brainy - ... 	None	Ph.D. in Marketing
C	Designer	<ul style="list-style-type: none"> - Creative - Willing to Learn 	2 years	BA in Graphic Design
...

Table 4. Human Resources Characterization



Securing Human Resources

The next part you need to think about is team building. Team building is essential as it will be the core of your business success. If a business owner fails to create a unique business team that is ready to take the business to a greater height, then the business is bound to fail. The members of this team are going to move the job forward together. The members of this team can include employees, partners, or managers and experts. Prepare a list of people you need on the path to start your business. This list consists of people who are going to be influential in your business. Think of how you can secure these human resources. You must work and be on the same page with everyone on your team so that your business can succeed.

This topic is in fact a subset of management. Under this topic, you discuss various departments you intend to run for your company in following years. It doesn't matter whether you have had these departments from the beginning or not. In your 3, 5, or 10-year plan, you can consider what departments you will need. In the business plan you write, you may have in one single department all the departments a large company has.

Realistically determine the departments you need and can establish during your targeted period. You may consider various sections such as marketing and business, development, public relations, and other sectors in a general department of communication or market-

ing, and this general section can cover all the aforementioned items.

You describe all these items in the part related to the human resources, as well, and determine what people you need to recruit for each sector. Make a list of people's characteristics because you still don't exactly know who you should invite to join you in the business. You only know you need these titles. If you have someone special in mind, write down his/her name along with the respective department.

In this section, you define people who will administer and manage things; first, you mention people you have considered, and secondly, you add people you don't know but you need. After that, you write in the departments you have defined who must be positioned where and what titles you will need. If the individuals were specified, you put their name in this section along with their resumes, and if it's not the case, you only put the titles you need.

Next, you determine another title and explain in there how you are going to recruit these people. For example, suppose you intend to launch a print office. In that case, you will need technical workers to operate, maintain and service your machines. The work might be so extensive that you'd have to station some people there. If individuals are stationed, you will make your work harder and more complicated; that is, you should write where you are going to secure these workforces, and that is when securing human resources becomes a part of your plan. There

might be special websites or marketing agencies. You need to check whether these general agencies can do your job or search for recruits in a union or a magazine that operates in your target niche. Under this topic and as part of your strategies, mention any source that can secure your human resources.



j) Sales and Marketing Plan

Now you have been prepared for crafting the marketing plan because you have gathered a great deal of required information. This section explains the marketing strategies you will implement. It also analyzes everything pertinent to sales and marketing for your business product.

Your business marketing plan can be written extensively, or you can write its generalities and state its details in a separate document called marketing plan. This selection depends on your policies, but since a working plan must entail everything, I would rather include everything in the marketing plan that will be updated later because ***the business plan is your business's guidebook.***

In this stage, start to write the marketing plan according to the type of product, the competitors' behavior, and the exact needs of the target market. Accurate answers to the following questions will help you in writing this plan.

- How do you intend to present your product to the market?
- Do you want to distribute it by yourself, or do you want to work with distributors?
- Do you want to be a wholesaler or a retailer?
- Are you an importer or a producer?

- Are you going to sell your products to companies, or to individuals and final consumers?
- Do you need to have face-to-face marketing or make online or tele-sales?
- Do you want to apply certain tools such as affiliate marketing, or do you want to have direct sales?
- How do you intend to introduce your product to the target market?
- How do you intend to compete with the competitors in marketing and sales?

Define the marketing and sales strategies of your product. Determine which marketing method you need to apply to promote your sales; for example, you define various methods for store sales, online sales, and sales through marketers.

After defining the general strategy, you need to get into details. Write down everything that comes to your mind so you can say in full detail what you want to do. For example, if you have previously discussed about direct sales in the store, you need to describe the marketing and sales methods in this section. Everything must be clearly stated at this point.

Advertisement is a part of marketing tools. Determine what advertising methods you need to apply to assist your various sales methods. Write these methods in details.

Your product's pricing method is the other important part of the marketing plan section of your business plan. Determine and write your products' pricing strategy and its basis according to the competitors' status and the market analyses. You don't have to necessarily announce the prices. For example, you can write that your pricing strategy is the prime cost of the products plus a profit margin of 25%.



When you send the business plan for banks and investors, you don't need to describe the pricing method in detail. However, when you want to recruit a management team, bring up this section in your business plan. The production and services section in your working plan may be in several pages or only concluded in two pages. This section is completed depending on the type and size of a business.

I emphasize again that there might be no need to discuss all the details and a summary of this section may suffice depending on the business plan's audience. For example, banks don't care much for details. Still, if you intend to hire someone for your marketing sector, you need all these items in full details because a person in charge of marketing needs to know his/her place in this sector and to see whether he/she can do the job the same way you want him/her to do it or not.



The editing process you perform on the marketing and sales section starts from the stage after the sales strategy. This means that you have already written the marketing and sales strategy, then you start to edit the part to see if it should be added or removed, and if included, whether it should be concise or detailed.

Today, the section on e-business strategy is unavoidable. All people who used to lack this section in their business plan need to modify their plan and add this part. The strategies you want to implement in the present online world are discussed in this section.

You have the topic of online business strategy as a subset of the marketing plan, or in some cases, as the main title in the business plan. If an important part of your business is going to be online, take this strategy as the main title.

The topic of e-business strategy includes two parts: presence and marketing. You may not own an online business but have an e-business strategy. That is, you need to know how you want to define and guarantee your online presence. For example,

- Are you going to have a website or a social media account?
- Are you going to have an application?
- Are you going to have online sales, as well?

- Are you going to be present on all social media platforms or only on some of them?
- Which ones are your choices?
- Which ones do you want to be more focused on?

In the topic of e-business strategy, you describe all the details about which social media platform you are going to be present on, whether your website is going to have a sales section, if that's not the case, what options this website is going to have and what uses it has for you, whether your web design is going to be similar to a simple catalog or it is going to be linked to your social media accounts, and every other item of such that occurs to you.

To find answer to these items and explain them, you need to research, assess your circumstances, find similar businesses that can help you in planning, and follow their example.

The other important point you need to mention in your business's marketing plan is how you intend to turn your business into a brand. Determine what marketing plans you have to develop your business. Always remember that developing your business is related to marketing, and these two are interconnected. ***Marketing is the main tool to develop the business plan.***

k) Details of an Operational Plan

In the next section, you get into implementing an operational plan which includes the schedule of getting the job done and how to implement the business plan.

1



In your operational plan, define size and period you will start your business. For example, you have considered six months to start the initial stage of your business. You have also determined another six months to enter the market.

2

Check if your fiscal year calendar is in accordance with the common one in your country, or if you intend to have a different fiscal year for any reason you want.

Sometimes, the business plan is formulated for a three-year period, and sometimes, it is formulated for a five-year period. The financial plan is also defined in the same three and five-year periods. Some other times, an operational plan is considered in short-term (one-year) periods. This helps you place focus on the time you have to achieve a certain goal in your business plan.

3



Determine the method of producing your products and services.

- How do you prepare the products you want to offer?
- Who are our suppliers?
- Is it you or distributors who supply the raw materials?
- How do you coordinate the customer support?
- What are the duties of every single employee?
- What types of machinery and devices do you need?
- Where and how do you get them?
- When is the equipment going to be installed?
- How is the quality control?
- How can you achieve customer satisfaction and how can you know about the degree of this satisfaction?

Answering all these items is part of your operational plan.

4

People who play a role in the process of production and supply, from supplying the raw materials to delivering it to the customer, are called key players. Define the role of key players and determine each one's characteristic in your operational plan.

Make for yourself a list of required qualifications from your required suppliers. Then, research and find the suitable suppliers based on what you have already defined, and eventually, determine which supplier you will choose to prepare your required materials. For example, you determine where your restaurant's meat is going to be supplied. You write exactly from whom you want to supply your raw materials and who are the people that will provide you with services. This is the concept of an operational plan.



5



Define a schedule and write the exact time of all the tasks mentioned in the operational plan. Some tasks are related to the process of starting the business, and some others are carried out afterward.

Determine the precise timing and method of conducting all the items. For example, you purchase the kitchen appliances from Company X and they will deliver it to you next week and install them in the kitchen. Then, Company A installs the kitchen hood. Another company installs the refrigerators on a given day. You determine the opening day. For example, the meats must have been delivered up to two days before the opening day. Company B must deliver these meats. You need to contact Mr. T. in order to ensure the meats will be delivered on time. And you determine all the items according to the schedule in the same way.



Define the operational plan as a flexible one.

For example, if you have determined in the operational plan that the meats must arrive at 10 a.m. two days before the opening day, brace up for the case where the meats are not delivered on time. This means you must have a viable contingency plan. You must be flexible and know where to start following the task to find the problem. You need to know how you want to solve the issue and have a backup plan for it. For example, you may have done all your planning from six months ago, but the refrigerator manufacturer company goes bankrupt and out of business two weeks before delivering the product. If you have already prepared yourself for such scenario and come up with a backup plan, you can handle the job no matter what happens.



Note 2

Don't be dependent on one single supplier and consider multiple suppliers for yourself.

I) Risk Management

Business's risks are important factors you must carefully consider in the business plan. These risks are of greater importance in large businesses.

1

You have gathered a great deal of information in the market research and analysis section. Out of the gathered information, write under this title whatever comes to your mind as a risk. After making a list of risks, analyze and see if happened, what consequences and results each of them can bring upon you.



Have a list of variable factors and possible problems. Consider these issues in the risk section of the plan or under the part about unpredicted factors.

2

Write the possible obstacles in your business and make the necessary predictions. Add a topic under the title “obstacles” to your business plan and to the subset of the risk section or bring them in an independent part. Many of these obstacles may be simply predictions and won't happen in the real world; but have a list of them, so if you encounter them, you will have plans to overcome these obstacles according to your predictions. This gets you to think so you create solutions for problems that are yet to occur.

Sometimes in practice, your mind stops and you don't know how to solve a problem, but when you refer to your business plan, you realize that you have already prepared some thoughts for this section.



In businesses where the final product is sold in a guaranteed manner to a customer such as the government, the risk of doing the job is higher due to working with the governmental system.

3

For instance, in a power plant, the government purchases your generated electricity for the next ten (10) years. Contrary to popular belief, this type of business is quite risky because it is dependent on a certain customer. If this customer goes after purchasing its needs from somewhere else, you will be crushed.

If you have guaranteed customers or you lack control over your customers, define your flexibility and risk in the business plan much more precisely. Prepare yourself for a long list of possible obstacles. As governments come and go, policies change, or economy improves or deteriorates for any kind of reason, and the government in control may have to change its mind.

m) Financial Resources Plan

Financial issues are the most important part of the business plan and they are written at the end of this plan. Everything written in a business plan is of importance but financial issues which must be written quite accurately, reasonably, and systematically are of greater importance.

Financial order and sense are the business plan's lynchpin, and if you haven't thought of this section, you are unable to proceed.

Investors assess the business's potential based on actual evaluations and statistics. Costs and incomes are the main issues for them. Therefore, you can't write the expenses and incomes carelessly. You must think about how your business's funding and return on capital are going to be.

In order of precedence, the most important financial factors in a business are as follows:

- Determining capital
- Expenses
- Incomes

Therefore, think of the following items and write their answers:

- How much money and capital do you have?
- How much capital do you need to start your targeted business?
- Through which methods are you going to secure the capital?
- Are you going to secure the entire or a part of the capital by yourself?
- If you are going to be the investor, how are you going to secure the capital? Are you going to use savings accounts or borrow money or prepare it by selling properties? Or do you have other methods to secure it? For example, you define that you have 50% of the capital, and you intend to take out a loan to secure 30% of it, and the rest will be prepared by other sources.

In the business plan and the subset of financial issues, consider a part titled *financing*, and determine your business's securing methods and amount of required capital.

- How much is your business's liquidity?
- How much is your business's annual cost?
- How much is your business's operating income?
- How much is your income and profit?

- What resources can you use to earn extra and non-operating income? For example, make use of the space at your disposal for advertisement and higher income. Extra income can be a title in the financial section of your business plan.
- How is the schedule of expenses and incomes? It's better to define this item in shorter and more precise periods of time. If you are unable to define a monthly plan, determine the financial plan for one, two, three, and up to five-year periods so you can have a scheme of your business's future.

At least for the first year, estimate your business's status and forecast how you can work with the available capital based on the business story you have written for yourself, and predict where you will end up at the end of the first year.

The business plan structure is based on the topics mentioned above. At the end, all business plans practically have certain titles and topics. It's just that one of them may have discussed a topic in more detail and done more extensive research.

The extent and analyses are different in business plans. The more internal and external influential factors your business has, the more detailed business plan you have. One of the reasons to write a business story at the beginning is to know what issues you are involved with. You write the business plan to have a crystal-clear view of your roadmap and be aware of your needs.

n) Exit Strategy

This section exclusively belongs to the smart business plan and not every business plan may contain it.

Determine your business's exit strategy. This issue is interesting and defining for the business plan's audience to see how futuristic you are.

- Your policy can be first, launching and then selling the business. In this case, you must check how you intend to sell your business.
- You may want to merge your business with other businesses and with your competitors.
- You may hand over your business to others to continue the job after your retirement.

Of course, not every business should be sold. Therefore, consider in your exit strategy both merging which results in a business's development and handing over to others to continue the business in question. This strategy creates a high added value for the business. It also helps you create a plan that you can use to excuse yourself from the business.

o) Strategy Plan

Strategy plan is a part and parcel of a business plan, but it can also be written as an independent plan. You may write a strategy plan for your business apart from the business plan, but such plan also comes out in the business plan. We include this section in the business plan in the structure from which we look at the business plan. You can't lack a proper business plan and formulate a strategy plan.

In the strategy plan, you discuss various part of the business plan according to the strategic roadmap you have already prepared.



The strategy plan for an ongoing business is more realistic than a business plan that is not initiated yet because the former is based on actual facts of a business and not on guess-work and research.



p) Business Plan Appendix

The final part of some business plans is the appendix. This is where more details on some topics are fully discussed. For example, you mention in the management and organizational section that the management team's resumes are given in Appendix 1, or you put further details of the operational plan in appendix to avoid making the main text too long and to help the audience have access to more information.

If you write other versions besides the main business plan, the appendix section can be very helpful. For example, take out a big part of information in the main version to make a suitable one for the bank. In fact, present the summary version containing prominent points and facts, and leave the rest of the contents and details in the appendix.



q) Cover and Content of a Business Plan

The business plan has full planning and a cover page. The cover page is put on the business plan and contains the company's name and logo. The preparation date and titles are also included on the cover page. Along with the dates and titles, a business plan's cover page must be constantly updated. Write on the cover page the name and information of the business plan's writer. The cover page is put first, then the list of content, the business story. Eventually, the entire working plan is given, respectively.



Chapter 4

Some Highlights on Preparing a Business Plan

1

Define for yourself your objective of writing the business plan. First, determine your path, and then, map your business's future.



9

Write the business plan according to your self-knowledge; in your business story, you have considered your personal characteristics, capital, the amount of your information about the business, and the reason to write a business plan. The business plan will be close to reality if you consider your facts.

Before crafting the business plan, prepare two full lists of your strengths and weaknesses. The crueler you write about yourself, the more useful it gets.

While writing the business plan, you often refer to the business story, the analysis, and the lists of strengths and weaknesses. Don't underestimate your strengths and weaknesses, and utilize the analysis of your peculiar capabilities.

3



First, write down the general structure of your business plan. Then, start to add the supplementary materials.

4

Do research as much as you can. Don't do anything simply based on your own mental and intellectual assets. Sometimes, one extremely believes in what he/she does, and too much belief in your knowledge and claim makes you avoid researching a topic of interest. If you don't do research, the chances are that in 99% of the cases, many parts of your business plan stay unattended. Even if you are an expert in what you do, when you proceed without doing research, you're under the impression that you know everything, and you most likely forget an important subject. Doing research is a vital part of your work so you can be confident that you have considered everything.

There are various research tools: traditional method is to ask people or read books and magazines. The other method is to attend events pertinent to your business and asking the participants for their comments. Searching is another research method. Without Google, it is impossible to enter the world of research. You can google your questions in any language and find your answer. This answer will then aid you in making the right decision for your business.

5



Document the information you gather. Documentation is one of the major principles in your work and research. While writing the plan, you assume you'd remember the titles, but you will forget them after a while. As you move forward a little bit in your business, you need your materials, but you don't have them in your mind anymore. However, if you have documented everything, you find your material quickly.

- Save and record the research's results.
- If you have found an important source, save and record its information.
- Classify the documents and make multiple files to find them easier.
- Organize the files' names and classification based on topic.

6

Spend time on analyzing the information. Analysis is impossible without research. These two parts must happen together.

7



Write clearly. Don't just mention the general outline of the topics. Generalization has no place in the business plan. A business plan is long because all the details must be added so anyone who checks it can clearly understand the corresponding business's plan in each aspect. You can't attach yourself to your business plan and accompany it everywhere to explain the meaning of its words and sentences and why they have been stated. If you had to explain something, it means something is wrong and that section needs to be revised.

While crafting the business plan, write it in standard language so the audience can understand it easily. There is no need to use sophisticated words, scientific terms and the language applied in research and scientific articles.

8

Make your business plan illustrated and apply professional design, tables, and charts to make it more understandable. Sometimes, you can show in a single table what you needed to write in multiple pages.

9



Make your business attractive to absorb investors. When you realize that the business plan is practical for you, the method of absorbing workforce, investor, partner and your own management method become relevant.



10

Before getting into the details of your business plan, *make an index for the company* and determine who the members of company and managers are and what assets they have. How much money and what kind of resume do the managers have? From what companies do they come? What is their contact information? Where is the location you have in mind for the business? Write down all these items so you can apply them in the business plan more seriously.

11



Make various versions of the business plan using different writing methods in accordance to the audience. Be prepared to present it based on your audience's need. For example, your business plan presentation shouldn't be the same for IT experts and for bankers. A successful presentation contains what the audience is interested to hear. You should use their own jargons and examples, so they realize you are in harmony with the business's setting.

12

Write a flexible business plan. One of the reasons for flexibility, which is a business rule, is that it allows you to turn threats into opportunities.

The plan route must be sufficiently clear and you need to abide by your roadmap. This is because you cannot afford to gamble with your business. However, it doesn't mean that your plan is absolutely unchangeable. A plan which can't be altered is affected by trivial issues.

13



Avoid digression in your writing and classify the contents in the business plan. When dedicating a chapter to a certain topic, write down all the items pertinent to that topic under the same title so you can easily have access to all the contents of that topic.

Observe timing in writing your business plan. Define a certain time and try and write your business plan during that time. Getting to the final version may take long and you may even fall behind the schedule, but specify for yourself the task of, say, spending two hours a day or week on it.

When you draw away from an ongoing job, you need to constantly remind yourself of the plan you had in mind and at which stage of the work you were. It makes you turn away from focusing on your future path. This means consistency is needed in your business plan. If you gather some information and intend to complete it later on, the information will get old and you will also forget a part of it. Therefore, try and get to a reasonable stage of the plan during a certain period of time.

14

15



Use all the titles in your business plan as much as possible. Write in the first two-three paragraphs of each section (especially the detailed ones) in the business plan a summary of all the points you bring up in that section. For example, in the chapter related to your business's products and services, first write the related list and define the generalities of what you want to present in the market. Then, explain the details. This will give the readers ideas of what each section is about.

Let others comment on your business plan. Don't put the whole trust only on yourself – seek opinion and views of others. Even if an experienced expert writes the plan, you still need to discuss your business plan with others. Be hopeful that others, whether experts or those with limited knowledge, would spend time reading it and commenting on it. Anyone may mention a point about a part of your business plan which would make you change your path or fix some

16



of the unwanted bugs and drawbacks in your work. It doesn't help that no one knows what you are doing. Discussing the business plan with others leads to many debates, and out of these debates, various answers will emerge. Something is wrong when you don't discuss and everyone agrees with what you intend to do. These arguments challenge you and activate your stream of thoughts.

17

Define some criteria and methods to evaluate your course of action. You need to evaluate yourself constantly and consider yourself a score in the course of writing and implementing the business plan.



Chapter 5

Business Plan: Evaluation, Revision, and Update

a) Evaluating a Business Plan

The way you evaluate and analyze your performance based on the business plan is the guide for making your way along and proceed, and such evaluation/analysis must be a part of your job so you can identify the mistakes and avoid repeating them.

Evaluate according to the time period you define (such as monthly or weekly) and based on small and secondary objectives you have set. The evaluation is conducted from the following aspects:

- To what extent did you stick to the plan?
- What is your score in implementing the plan? That is, what percentage of progress have you achieved, and what score do you give yourself in this progress?
- To what extent have you accomplished your goals?

Along the way of your business, from every failure, learn how to win in the future and change your course of action if needed.

Turn your failures into opportunities. Great men whose words you follow have repeatedly failed on their way to realizing their ideas.

While evaluating your business, examine the following items if you realized you were far away from achieving your goals:

- Was something wrong with the business plan or the way the plan was implemented? If the implementation has been problematic, adjust yourself with the setting or fix the methods based on that famous flexibility rule. The business plan may be outdated or may have ignored many issues from the beginning for any reason.
- There are some reasons you get to this stage: one reason is the changes that happen in the industry, in the technology, or in the macro policies. Or, it may happen due to your competitors' performance. You can't predict your competitors' performance. Therefore, you must strive for excellence at all time so that you won't be outdone by your competitor. Any of your competitors may suddenly make a move and astonish others or introduce a product which significantly challenges other competitors. When iPhone entered the market, the company would never have thought that Samsung can become its competitor by the same features and perhaps even more options.



Note

The competition in the market is one of the determining factors of making grave changes in your course of action.



b) Test a Business Plan

If possible, have a test run of your business plan experimentally on a small scale, and ***measure the extent to which your goals have been realized.*** It makes you become confident of your writing's accuracy.



Have long-term plan, but consider a short time for your runs and tests.

While it is not practical for every business to have a run test or do it, it will be useful to perform run test if it's possible. You may get lucky and see somewhere an equivalent of your business's operational model. When analyses and evaluation methods are right, you will definitely get your execution right and your business will be a successful one.



c) Updating a Business Plan

Changing a business plan is a 'must'. There is no business plan which doesn't require updating and adjustment. There are several reasons for updating:

- The three or five-year period you have defined for that plan is over, and you intend to define a new financial period.
- You need to add money and make some changes.
- There have been some changes in your targeted market and industry. When that happens, you need to update the corresponding sections of the business plan. For example, the market's taste might have changed about what you do, or new technologies might have emerged in the market. New events in technology heavily affect your job and require you to make changes in the business plan.
- Your management system or the members of the main team might have been changed. When an executive team of a business changes, you often need to change the objectives.
- The plan in practice might turn out to be far from your expectations and you may decide to make grave changes in your business plan by taking new perspectives or with the help of experts and, and facilitate and improve the job moving forward.

d) Revising a Business Plan

The business plan is not a permanent document. When you work, you refer to this plan and revise it based on your business's circumstances.

Presently, the advancement in technology makes many businesses obsolete. Many businesses have to adjust themselves to modern technology and revise their business plan on the way of such accommodation.

The requirement for change is to spend a great deal of time researching and analyzing suitable alternatives to make changes and improve your business's performance. In this case, your business won't face any damage because you are strongly backed by analyses.

It is not right to make changes in the business structure without making changes in the business plan. Don't apply any changes unless you have already updated your business plan.