

Title:

Business Plans - What Do They Include?

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Summary:

Ok... so you've finally reached that stage in the development of your home business to get started. You've done the research, you have a game plan and you're ready to go except for one small detail... you need money. Whether it comes from a loan or from investors it doesn't matter but you need a good dose of seed money to put all your hard work and planning into action. However, regardless of who hears your money pitch before they give you a dime they will want see your busin...

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Article Body:

Ok... so you've finally reached that stage in the development of your home business to get started. You've done the research, you have a game plan and you're ready to go except for one small detail... you need money. Whether it comes from a loan or from investors it doesn't matter but you need a good dose of seed money to put all your hard work and planning into action. However, regardless of who hears your money pitch before they give you a dime they will want see your business plan.

Business Plan - What Is It?

A good way to think of a business plan is that's it's a document that provide answers to the type of questions anyone who may provide financing would like to know about your home business. You will not get outside funding without one, because the people giving you the funding will insist on one because it helps them to know that you've thought through what you're proposing to do. A business plan says to them... "I've considered this from every angle, and here's what I've come up with".

Business Plan - What Does It Include?

What is your product or service? This is the first question every business plan should answer. You must explain in the clear, concise language what in the world you plan to produce or what service you plan to provide. You will also want to include why you've chosen this particular product or service.

Who are Your Customers? After you've explained your product or service, the next step is to identify who you plan to sell your product or service too and why. The demographics (age, sex, language, country, state or city, income, etc.) You need to clearly identify your customers in order to properly target your advertising, packaging, pricing, et.

What Makes You Different? You need to identify the "primary factors" that will make your business different than other businesses you'll be competing with. What niche are you filling that they are not or what do you plan to do to fill a particular void in the market that you've identified?

What are Your Expenses? Your start-up expenses include any equipment that you need before you can get up-and-running, while your day-to-day expenses are staff costs and supplies.

Following is a Simplified Example of Business Plan

This a a simplified and shortened version of a business plan. In the real world... each one of the following sections would be 1 - 2 pages in length. That being said... in most instances it's better to be as brief as possible. Only add information if your potential backers request it. It's a bad idea to go into too much detail in your plan. You're not trying to explain everything down to the nth detail, just the basics of the business and why they should give you the money you need to launch it. And always focus on profit.

Catering Plus

Nature of Business: The business will be a home-based catering company, producing luxury food for special occasions such as birthdays and weddings. We will provide a comprehensive catering service, while specializing in high end customized cakes, which have a higher profit margin than other foods.

Target Market: Our catering business will be aimed at middle-class customers who desire a top-of-the-line catering but must operate on a budget. Our initial market area will consist of Mytown and the affluent area of Thertown.

Key Factors: We will only use commercial grade ingredients purchased from wholesalers and provide top quality design and service. This will allow us to provide food that looks tastes great, while keeping costs as low as possible.

Expenses: Beause I will be using my kitchen and making the food myself, there are only two real expenses: The purchase of an industrial grade mixer and then the day-to-day cost of supplies. I've attached a suppliers' letter listing prices. Our research has shown that this supplier offers the best value for

start-ups.

To wrap it up, you should include a breakdown of both projected profit and loss per month (in graph form) for the first year in business. Show one-time and day-to-day expenses versus projected profit to indicate how you will pay-off your loan. Your business plan should show you making enough of a profit each month to live on - if it doesn't, then it may be considered unfeasible.

Study a Few Real-World Business Plans

The best way to get a real a feel for the dos and do nots of a business plans is to find real-world plans that have already been approved and study them. A good place to start is the internet. Once you've studied a few, you will get a better feel for how much work will be involved in putting your business plan together. Remember, until your business exists for real, the business plan is the only tool you have to sell prospective backers on how great your business is going to be.