

part is most important. Every customer needs a good reason to buy from you. If you are just starting out they will also have to have a fairly convincing reason to leave the business they are presently using and give an unknown like you a chance. Every business must have a competitive edge.

Marketing Strategy - Describe how you intend to reach the customers you've identified as your target market. What media will you use and how much? Will you direct market on-line or will you contract through a wholesaler? This is an opportunity to be creative.

Financial Information- This section is probably the one which new businesses struggle with the most because it requires the most technical detail. It usually contains the following information:

Start up costs- A summary of the cash required to start the business and from where that money is coming. How much do you need to borrow and how much will you personally invest? If you are borrowing, include a detailed list of what you will pledge as collateral. Provide a schedule of how the start up capital will be used. Include a list of equipment purchases, deposits, licenses and fees, the cost of start up inventory and any building purchases or remodeling costs.

A cash budget- (usually called a cash flow statement) This is your best estimate of how much money will be coming in and how much will be going out for each of the first twelve months of operation.

Personal Financial Statement- This is the same information that is required when you apply for a credit card. Forms for these are usually available through your local bank.

Business financial statements- This information is presented in the form of a balance sheet and income statement. The format for these statements is fairly standard. Unless you have some accounting background you will probably want to get some help for these statements. Check with your local Service Corp of Retired Executives or Small Business Development Center.

Remember to be conservative when estimating sales and liberal when figuring expenses and explain how you arrived at all your figures.

The local bookstore generally has a wide selection of business planning books that illustrate

a variety of acceptable outlines. In preparing a business plan, you have the freedom to include any information you feel is important. If that information was not mentioned in this summary, don't let that stop you from including it. Just don't assume that more is better. The intended audience may not have the time or patience to wade through a lengthy document. Likewise, a poorly conceived business idea can not be covered up with pages of filler. Make every word count. Good luck!

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