

County of Bucks

Community Services Division

Lynn T. Bush, Executive Director and County Chief Clerk

Community and Business Development Department

Vitor A. Vicente, Director

Neshaminy Manor Center
1260 Almshouse Road
Doylestown, PA 18901

Office Hours
Monday through Friday
8 a.m. to 5 p.m.

Economic & Business Development Program

Sonia R. Smith, Administrator

Phone: 215-345-3839
Fax: 215-345-3865
E-mail: srsmith@co.bucks.pa.us

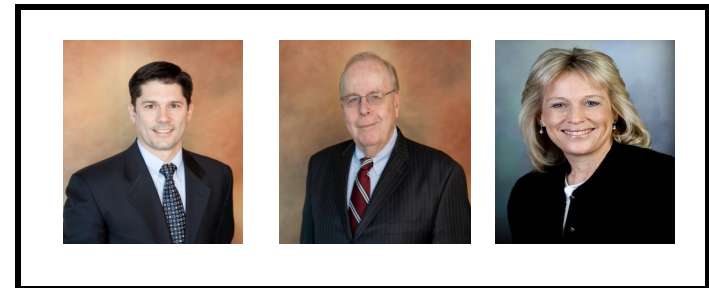
www.buckscounty.org



Preparing Your Business Plan

BOARD OF BUCKS COUNTY COMMISSIONERS

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GETTING BUCKS IN BUSINESS ©

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Editor's Note: Your feedback can help us identify the type of information you require. Email your comments to srsmith@co.bucks.pa.us and refer to this specific publication.

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Attachments

Include any agreements, contracts (e.g., purchase of inventory, distribution of product), licenses, guarantees, and documentation of collateral in your business plan for reference.

WHEN TO UPDATE A BUSINESS PLAN

Update the business plan when you are considering the following situations:

Starting a new business

Whether it is a new business, additional locations, or business acquisition.

Planning for growth

Determine the opportunities growth provides, examine economies of scale, and understand regulatory requirements.

Introduction of a new product

Changing the current product/service will involve changes to the packaging, marketing, and distribution.

Entering a new market

Whether it is geography, customers, or a new distribution channel.

BUSINESS PLAN ASSISTANCE

SCORE The Service Corps of Retired Executives offers free management counseling and training by retired executives and business owners. Access their national website, www.score.org for additional information, or contact the Bucks County chapter at www.scorebuckscounty.org or call 215-943-8850 to schedule an appointment at either the Fairless Hills, Doylestown, or Perkasie office.

SBDC The Small Business Development Centers offer management assistance and expert counseling, with most services free. In our area, SBDC's exist at

- Lehigh University 610-758-3980 www.lehigh.edu/sbdc
- Temple University 215-204-7282 www.temple.edu/sbdc
- Wharton/Univ of PA 215-898-4861 whartonsbdc.wharton.upenn.edu

Marketing Plan

Use the four P's to describe your selling activities:

1. Product
2. Price
3. Promotion
4. Place

Insurance

Develop a risk management program by working and coordinating with legal, accounting, and insurance professionals. Risks differ by industry and company. Some types of insurance required are:

- Product, personal, and business liability
- Business interruption
- Vehicle
- Disability (short term, long term) and Life
- Worker's Compensation
- Unemployment
- Fire
- Theft

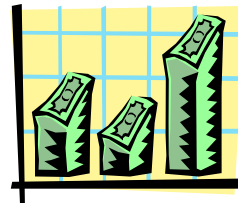
**Human Resources**

Identify how the business will grow and the resources needed for growth. Provide descriptions of the key managers' responsibilities. Include job descriptions of personnel and the skills they require.

Financial Statements

Discuss your business's financial condition by including the following:

- Personal financial statement for each owner of your business
- Profit/loss statement for three years (actual or projected)
- Cash flow statement (actual or projected)
- Balance sheet (actual or projected)
- List of assumptions underlying any projections, including an explanation of how the figures were derived.

**PREPARING A BUSINESS PLAN**

A business plan is a road map that permits you to identify many important things about your small business, including where you are and where you want to go.

Preparing a plan compels you to think in a clear, concrete, and structured way. A business plan is a critical component in obtaining financing. This pamphlet outlines the elements of a business plan.

**BENEFITS OF WRITING A BUSINESS PLAN**

The following are the benefits of writing and maintaining a business plan.

- Apply your research to decision making.
- Examine the decisions you need to make in management, marketing, human resources, and finance.
- Provide a framework and timetable to coordinate your activities and track progress.
- Define your audience. Your audience may be vendors, customers, lenders, investors, or employees.

GENERAL PRINCIPLES

Keep the following in mind when writing a business plan.

Specificity

Strive to be specific by quantifying your goals throughout every section. The more specific your business plan, the easier it will be to measure performance and accomplishments.

Research

There are many sources for the data you seek. Much of the information you may be looking for is available at your local library or on the Internet.

Review and Editing

Give a copy of the business plan to some people you trust, and encourage them to give you feedback. Afterwards, review the plan and make the appropriate revisions.

Permanency of a Business Plan

A business plan should be reviewed periodically. The objective of a periodic review is to assess progress toward meeting your objectives and/or to make adjustments to meet new business conditions.

BUSINESS PLAN SECTIONS

A sound business plan should include the following key sections.

Introduction

The introduction includes such basics as the title page, table of contents, and mission statement. Include your logo and/or slogan in this section. The title page states the name, address, phone/fax/website/email address of the business and the names of the owners.

The contents page lists the section names and corresponding page numbers. The mission statement describes why your company exists, and encompasses the identity and philosophy of the company.



Executive Summary

Your audience forms a decision on your company based on the executive summary. It outlines the key aspects of the plan. It includes a brief description of the existing or proposed business, its products/services, and purpose for borrowing. The summary provides an overview of revenue, sales, expenses, and profit. It highlights spending, capital expenditures, funding sources, and return on investment.

Company Description

This section describes your business history, function, location, and business type. It describes the goals of your business and business structure. It also includes information on the facilities and equipment in the company.

Industry Status

Describe the industry and the economic environment. Include both positive and negative factors on the industry outlook, the regulatory environment, and technical influences. Provide an analysis of trends and conditions and how they impact your product/service.

Product Line Description

Describe the products/services provided. Include photos and diagrams, along with copies of licenses, patents or trademarks you have or will secure. Prepare a features/benefits analysis for the product/service.

Production & Operations Plan

Describe how your product is made. Include an operations action plan that focuses on dealing with vendors, customer service, order fulfillment, and collections. Prepare another action plan to detail administrative duties. Identify contingency action plans for changing economic conditions that will affect your business and markets.



Target Market

Determine the market for your product/service. Segment your market to define and describe your customers' needs and habits. Determining the market for your product is the difference between business success and failure.

Market Analysis

Identify the sources of demand for your product/service. Identify the competition and its market share, and how your business differs with its own market niche. Include research results and historic, current, and projected data to support your business's profit potential.