Anatomy of a Business Plan

The Step-by-Step Guide for Building a Business and Securing Your Company’s Future
Starting Up the River
Without a Plan?
You are Planning to Fail
Reasons for Writing a Plan

- To serve as the guide you will follow throughout the life of your business
- All lenders and investors require a business plan
- A business plan is the key to conducting business in the international marketplace
A credible and defensible business plan must have continuity throughout the entire document.

Qualitative = Quantitative

Financial documents must reflect the decisions made in the Organizational and Marketing Plans.
Think about these keywords as you are writing your plan. They will help you to write a more concise and targeted statement for each section of your plan.

- Who
- When
- Where
- What
- Why
- How
- How much
- Unique
- Benefit to Customer
The Planning Process

**What are the parts of a Business Plan?**

- Cover Sheet
- Table of Contents
- Executive Summary
- Part 1: Organizational Plan
- Part 2: Marketing Plan
- Part 3: Financial Documents
- Part 4: Supporting Documents
Part I: Organizational Plan

- Description of the Business
- Products and/or Services
- Administrative Plan
  - Location
  - Legal Structure
  - Management and Personnel
  - Accounting & Legal
  - Insurance
  - Security
  - Intellectual Property
Part II: Marketing Plan

- Overview & Goals of Your Marketing Strategy
- Market Analysis:
  Target Market, Competition, Industry Trends
- Marketing Strategy:
  Distribution, Packaging, Pricing, Branding, Database Marketing, Sales Strategies, Promotions, Advertising Strategies, Public Relations, Networking
- Customer Service
- Implementation of Strategy
- Assessment of Marketing Effectiveness
Part III: Financial Documents

The "Quantitative" Part of Your Plan

- Sources & Uses of Funds Text Documents
- Pro Forma Financial Statements
- Historical Financial Statements
- Financial Statement Analysis
Sources & Uses of Funds

*How Much money do you need?*
*How will you spend it?*

- Summary of Financial Needs
- Loan Fund
- Dispersal Statement
Pro Forma Financial Statements

*Projecting the Future of Your Business*

- Pro Forma Cash Flow Statement
- Three-Year Income Projection
- Quarterly Budget Analysis
- Projected Balance Sheet
- Break-Even Analysis
Historical Financial Statements

How has your business done in past years? What do you own and what do you owe?

- Profit & Loss Statement (Income Statement)
- Balance Sheet
- Business Financial History/Loan Application
Financial Statement Analysis

The Key to Making Decisions, Implementing Changes, and Increasing Profitability

- Liquidity Analysis
- Profitability Analysis
- Measures of Debt
- Measures of Investment
- Vertical Financial Statement Analysis
- Horizontal Financial Statement Analysis
Part IV: Supporting Documents

- Personal Resumes
- Owners’ Financial Statements
- Credit Reports
- Reference Letters
- Location Analysis
- Legal Documents (Leases, Contracts, Agreements, etc.)
- Demographic Studies

Records that support statements and decisions made in the organizational, marketing, & financial plans.
5 Complete Real-World Business Plan Examples

Appendices I thru V in Anatomy of a Business Plan

- Marine Art of California – original art for upscale offices
- Dayne Landscaping, Inc. – landscaping & snow removal
- Wholesale Mobile Homes.com – Internet mobile home sales
- Karma Jazz Café – restaurant, bar, and jazz music
- Road Runners, Inc. – nonprofit serving disadvantaged youth
Happy Business Planning!

Don’t go away. Let us tell you about our business planning software.
Computer technology will make your job easier and speed-up the business planning process.

P.S.
How Will Our Software Help You?

- Our stand-alone software will guide you with ease through your business plan. We instruct you, show you real-world examples, and provide you with preformatted templates for all tasks.

- Using our Chart of Accounts Wizard, you will quickly generate an Integrated (linked) spreadsheet workbook that is customized for your business – and you will save 100+ hours of work.

- Work anywhere, anytime. Import and export your plan project back and forth between your main computer and your laptop.

- Print all or selected parts of your plan in three different ways (to PDF, to your printer, to a zip file).
Research Your Market

Our Live Web Page will guide you through your research and “Hot Link” you to financial and marketing resources.

Sit at your own computer and do all of your research.

Direct Access to Information:
- Target Markets
- Competition
- Financial Reports
- Demographics
- Psychographics
- SIC Codes
- Foreign Business
- SEC Reports
- and Lots More
Developing Your Financial Spreadsheets is a Logical Process. It is easier than you think!

- **The Chart of Accounts Wizard**
  quickly generates an entire spreadsheet workbook that is completely customized to match your business (revenue, expense, and balance sheet categories, business name, legal structure, receivables timing, dates, etc).

- **Your Integrated (Linked) Spreadsheet Workbook**
  all information and numbers input or updated in one spreadsheet will flow to and update related spreadsheets.

- **Key Ratios**
  are automatically calculated in the Ratio Table and the Financial Analysis Summary worksheets.

- **Six Charts and Graphs**
  reflecting your company’s financial projections are auto-generated in the final worksheet.
What will it cost to borrow money?

Our Amortization Tool will compute the amount of your monthly loan payment. It will also project the monthly principal and interest payments over the life of your loan.
Create a Master Plan

Our Master Plan feature allows you to use a customized set of plan files for multiple plans.

- Create “What If” Scenarios for your company.

- Develop corporate plans. Master files will enable you to easily develop and combine departmental plans to create an overall plan for your company.
Save and Print all or selected parts of your business plan to a single PDF file.

It’s Easy!

- Move selected pieces of your plan from the left window to the right window.
- Re-order sections.
- Select “Save and View PDF”.
- Your PDF will be generated and will open in Acrobat Reader.
Move Your Plan Project From Desktop to Laptop

Work on your business plan where and when you want to. Your project will always be up-to-date.

1. Install Automate Your Business Plan on your desktop and laptop computers.
2. Work on your plan on your desktop
3. Export (save) your plan to a project file.
4. Import (move) your project to your laptop.
5. Work on your plan away from your office.
6. Reverse the process at any time.
Develop a Presentation For Your Company

The perfect way to introduce your business to potential investors and associates.

Use Our Presentation Feature

- Instructions to guide you
- 2 example presentations for companies seeking investments or funding
- Templates for you to edit for your own presentation.

KARMA JAZZ CAFÉ
“Jazz is Alive and Well”
Website: www.karmajazzcafe.com
The Checklist will automatically keep track of which business plan tasks you have started or completed.
Your Business Plan is

“For Your Eyes Only”

Our Log In security feature insures that each user will have access only to those business plan files that have been developed under his or her unique user name and password.
Taxes Affect Your Cash Flow

We have devoted a set of menus to providing you with Tax Information so you can plan ahead for your obligations to the IRS.

- Calendars of Federal Taxes for each of the legal structures
- Listing of Free Tax Publications that are available from the IRS + a printable order form
- On-line addresses that will take you to the IRS site to download forms & publications
“I have used the software for five years in my business planning courses. It has been great for my students. The financials are especially impressive.” Mike Bejtlich, Cape Cod Community College

“Recently, I reviewed two loan applications. The business plans were well organized and researched. After reading each one, my confidence in the applicant was greatly boosted. Each applicant stated that your software and book were easy to use….. By the way, both loans were approved.” Nancy Russell, Comerica Bank

“I found the use of the software particularly easy and the accompanying book was an invaluable instructional guide. Of particular value is your Web page. Using your hot link resources, I was able to do my target market demographics in one short hour of research. Your links are right on.” John Elliott, Stellar Communications

“Thank you for providing Automate Your Business Plan software. It’s so user friendly and extremely thorough. I’ve been teaching self-employment training at Illinois Central College for seven years and have previewed many different software programs. None of them compare to the way your program is comprised. My students are now creating great business plans with minimal frustration.” Pat Heartsfield, ICC

“I am writing to compliment you on the excellence of your program approach to business plan writing. Your book, Anatomy of a Business Plan, and your stand-alone software, Automate Your Business Plan, are without equal. Yours not only performs and delivers results, but exceeds all expectations!” Joe Holly, Strategic Advantage
Thank you for taking the time to look at our slides. Please feel free to contact us directly if you have any unanswered questions. (714-544-0248)