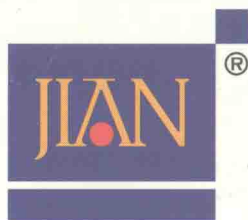


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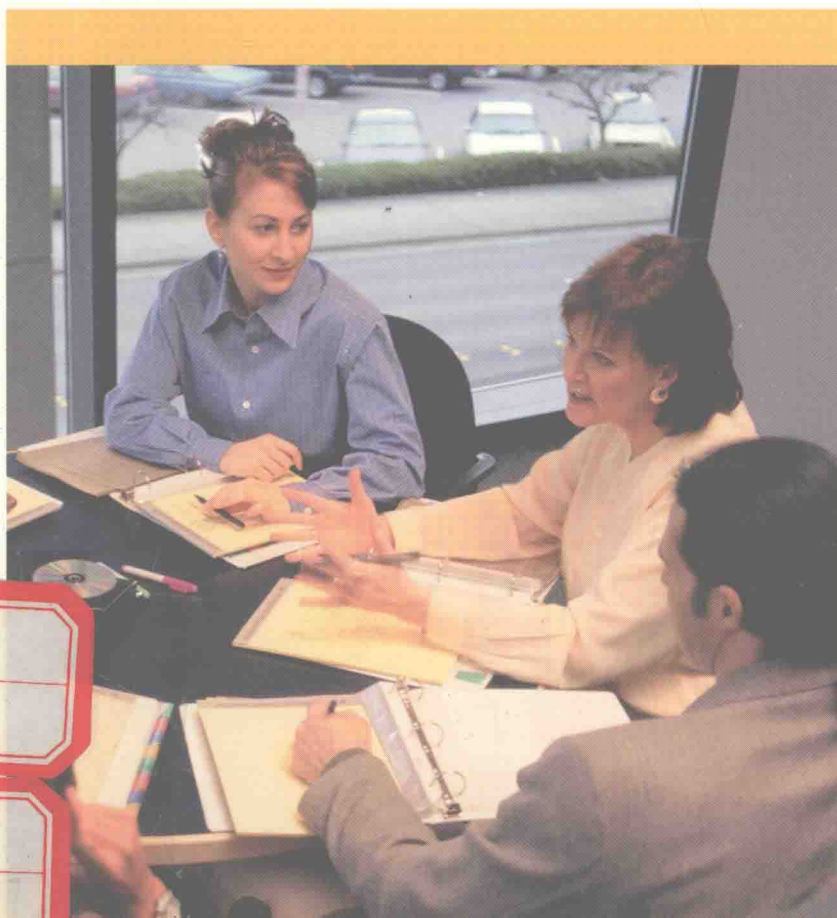


Jill E. Kapron

BizPlan *Express*

*Provides the tools to write
a winning business plan*

- Strategic Business Plans
- Mission & Vision Statements
- Market Analysis
- Marketing Plans
- Financial Plans



Based on BizPlan*Builder*, the world's best-selling business plan software



BizPlan *Express*

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JIAN Tools for Sales, Inc.

Founded by Burke Franklin in his living room in 1986, JIAN began operations as a provider of sales and marketing brochures and direct mail vehicles. Two years later, it introduced the revolutionary *BizPlanBuilder* software, winner of Success Magazine's "Editor's Choice Gold Medal Award." *BizPlanBuilder*, the flagship of JIAN's line, provides business and marketing plan templates for organizing and financing a business. Now the most popular business plan software ever, *BizPlanBuilder* has sold nearly twice as many copies as any competitive product, over 300,000 copies. *BizPlanExpress* is the condensed version, which can get you on your way to a complete business plan even faster than *BizPlanBuilder*.

What is a Jian? You might think of it this way: while a Black Belt is a master of the martial arts, a "Jian" is a master of every art—the ultimate human with extraordinary acumen, power and resourcefulness. JIAN's mission is to provide strategic building blocks to help managers build better companies—faster, easier and more economically.

All JIAN packages are developed and refined by experts with successful, real-world business experience. JIAN has gathered input from these specialists as well as commissioned accountants, consultants, lawyers and other experts for further guidance. Most of the people at JIAN, as well as the consultants and independent contractors who work for JIAN, are or have been owners of small companies. All of these materials, insights and experience have been engineered into tools and templates you can use to build your business.

JIAN continues to meet the needs of new and emerging businesses with innovative new software products including

- *MarketingBuilder*
- *EmployeeManualMaker*
- *PublicityBuilder*
- *LoanBuilder*
- *AgreementBuilder*
- *LivingTrustBuilder*
- *SafetyPlanBuilder*

Welcome to BizPlanExpress

The original *BizPlanBuilder* guidelines, templates, and spreadsheets have been streamlined to create *BizPlanExpress*. This *Express* business plan system is designed to help you learn to create a concise and effective plan for any business, big or small. *BizPlanExpress* is half the length of the original *BizPlanBuilder*. It focuses on the essential elements of a business plan and helps you create a basic plan in less time.

Investors will grill you on everything. As an entrepreneur, you may need to seek funding for your new business venture. Someday you will probably need to explain your business plan to an investor, banker, or to someone else. You must be comfortable discussing every aspect of your business and your business plan.

Managers and owners will grill you on everything. In many businesses today, team leaders and department managers are preparing business plans. Owners and managers want a clear picture of your strategies for success. You may have to define the mission, vision and strategy of your group within the larger organization. And you may have to persuade management to invest in

your team and your initiatives. Whatever your needs, BizPlan*Express* gives you the tools to prepare a complete, professional business plan.

Now you have a tremendous head start. The process of developing your plan through the BizPlan*Express* worksheets and on-line templates will enable you to generate a unique plan and be comfortable discussing anything about your business. Your marketing and sales strategies will substantiate your financial projections. Your Market Analysis and Marketing Plan (see Part 2) will make the difference between a “blue sky” proposition and a viable business venture worthy of a solid investment.

Let's Get Started

Your instructor will direct you in the selection of a company you can use to develop a business plan project. BizPlan*Express* provides background information, instructions, printed worksheets, and word processing and spreadsheet templates for preparing each section of your business plan. The templates lead you through the thought process and writing process for each section of your plan. The templates have complete sentences with blanks for you to fill in for your business. Templates for non-financial sections are also provided in worksheet form so you can work in the environment of your choice to complete your plan. The financial elements of your business plan, such as your budget and cash flow statement, are illustrated in the book and included as spreadsheet files on the BizPlan*Express* disk.

When you finish a template for a section, you have all the text needed for that section. Of course, as you progress you will naturally edit, update and refine the text. If a particular passage or section doesn't make sense to you or doesn't seem appropriate for your business, then simply cross it out or delete it from the template.

Part 1, **Business Plan Basics**, is a brief reality check on writing business plans. It has years of wisdom crammed into a few pages, and it makes a lot of sense. Included in this section are the Top 20 Questions you're most likely to be asked about your business. Be sure to read Part 1 before starting in on your plan. Page 1.

Part 2, **Writing the Narrative**, has a section about each non-financial portion of the business plan:

- Title page
- Table of contents
- Executive summary
- Vision and mission
- Company overview
- Product strategy
- Market analysis
- Marketing plan

Each section has background information, instructions and a worksheet for writing that section of the plan. Page 8.

Part 3, **Completing Your Financial Plan**, has information and instructions for developing your business' financial plan. In addition to general financial advice, there are also instructions for using the spreadsheets on the BizPlan*Express* disk. Page 88.

Part 4, **Executing Your Plan**, has advice about funding and presenting your business plan. Page 112.

Appendix A, **Using BizPlanExpress**, has instructions for installing and using the BizPlanExpress templates. Page 135.

Appendix B, **Resources**, is a list of books and articles for further research. Page 142.

There's also an index. Page 144.

Internet Access

Take a look at our web site! You'll find a variety of useful information including new products, demos, listings of professional advisors, and links to complementary products and services. You'll find us at <http://www.jianusa.com>.

Using BizPlanExpress in the Classroom

The best way for you to progress through BizPlanExpress is to select a real-world company, product, or service and complete a business plan for that firm. To make issues even more important, contact that firm and present the business plan to them at the end of the semester. This client relationship encourages the best level of critical thinking, problem solving, and concept application. Your instructor can direct you in the selection of a company you can use to develop a business plan project. Or you may decide to make up your own product or service that realistically could be launched at the end of the semester. The learning objectives, review questions, and activities throughout the book are designed to help you build your knowledge as you build your plan.

BizPlanExpress Software

The BizPlanExpress software package included with this book consists of word processing and spreadsheet templates that work easily with most popular Microsoft Windows programs. You can print the completed templates and use them as your actual business plan.



Throughout this text, you'll find icons like the one shown here. These icons indicate BizPlanExpress templates.

See Appendix A, Using BizPlanExpress, for instructions about installing and using the templates. Page 135.

BizPlanExpress

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A sensible man never embarks on an enterprise until he can see his way to the end of it.

— Aesop

Part 1: Business Plan Basics

It's hard to take a business seriously when there is little or nothing in writing about its structure, future direction, or position in the marketplace. That's why a business plan may be the most important document you'll ever write.

Simply stated, a business plan is a written document detailing the operational and financial aspects of your company. Like a road map, it helps you determine where you are, where you want to be and how you're going to get there. If it's well written, your business plan will keep you in touch with your goals, potential risks and probable rewards. Moreover, it may be the crucial factor in convincing investors or company management to give you the financing you'll need to realize your dream.

Whether you are seeking a loan, looking for an investor, soliciting management or simply using the business plan to manage your business growth, the ideas outlined in this section provide some useful tips.

Part 1 includes:

- Why Write a Business Plan?
- 10 Steps to Complete Your Business Plan
- Components of a Business Plan
- Top 20 Questions
- Targeting Your Business Plan

Learning Objectives

After Completing Part 1, you should be able to:

1. Understand why you should write a business plan
2. Know the components of a business plan
3. Determine who the targets of your business plan will be
4. Know the 10 steps to complete your business plan
5. Be familiar with the top 20 most-asked questions about your new business plan

■ Why Write a Business Plan?

The first and most important benefit of a business plan is that it gives you a path to follow. A plan sets the stage to make the future what you want it to be.

A plan makes it easy to let your banker or other investors in on the action. By reading or hearing the details of your plan, he or she will have real insight into your situation if the bank is to lend you money. Likewise, potential investors can review your plan to gain a better understanding of your business and to determine if their investment is worth the risk.

A plan can be a communications tool when you need to familiarize sales personnel, suppliers and others with your operations and goals.

A plan can help you develop as a manager. It can give you practice in thinking about competitive conditions, promotional opportunities and situations that are advantageous to your business. Such practice over a period of time can increase your ability to make wise decisions.

A good business plan saves you money and time by focusing your activities, giving you more control over your finances, marketing and business objectives.

What Kind of Plan Is Best for You?

1. A **complete business plan** is necessary when you need a significant amount of funding. You'll need to explain your business concept in detail to potential backers, strategic partners or potential buyers of your company.
2. A **summary business plan** is a shorter format that contains the most important information about your business and its direction. A summary plan is great when you're in a hurry. It's usually about 10-15 pages long and is perfect for many bank loans, or simply to gauge investors' interest. A summary plan is also good for attracting key employees or for convincing friends and relatives to invest a few thousand dollars.
3. An **operational plan** is the internal document for an ongoing business. It's excellent for focusing the talents of key managers toward a common goal, and therefore should be updated at least annually. A good operating plan can do wonders for any executive's career.

■ **Components of a Business Plan**

The components of a successful business plan and a brief description of each section are given below.

Title Page

The title page of your business plan provides the name, address and phone number of the company and the CEO. Page 9.

Table of Contents

The Table of Contents includes a sequential listing and pagination of the sections of your business plan. Page 9.

Executive Summary

The Executive Summary is a synopsis of your business plan that summarizes the highlights of the plan. Page 10.

Vision and Mission

This is a snapshot of the present stage of your business, plus a picture of where your business is going and what it will look like, and the goals and objectives on how to get there. Page 22.

Company Overview

This section provides basic information about your company: structure, management, staffing and strategic alliances. Page 34.

Product Strategy

This section reviews your current product or service and what makes it unique and competitive. Your future research and development plans and production and distribution are part of your product strategy. Page 43.

Market Analysis

This section helps you define your market, the demographics of your target customers, competitors' products or services, and business and environmental risks. Page 53.

Marketing Plan

Your sales strategy, advertising, promotion and public relations are covered in this section. Page 68.

Financial Plan

Your company's capital requirements and the profit potential are analyzed and demonstrated here. Page 88.

BizPlanExpress Software

Appendix A, Using *BizPlanExpress*, has instructions for installing and using the *BizPlanExpress* templates. Page 135.

After Your Plan Is Completed

After you have completed your plan, you will find additional useful information in this book:

- Part 4, Executing Your Plan, explains how to present and fund your business plan.
 - Supporting Documents lists a variety of additional documents you might include to substantiate your business plan, such as company brochures and resumes of key individuals. Page 113.
 - Presenting Your Plan details how to assemble, print and distribute your plan. Page 114.
 - Funding Your Plan details dozens of methods and sources for securing funding. Page 120.
- Appendix B, Resources, is a list of books and articles for further research. Page 142.

■ Targeting Your Business Plan

A business plan could be the perfect tool for you to reach the following target audience.

- Associates – to establish agreement, direction and purpose

- Bankers – to provide loans for equipment and expansion
- Business Brokers – for selling your business
- Employees – to align their efforts with yours and keep the vision of your company alive
- Investors – to supply cash for growth
- Marketing Managers – to develop detailed marketing and sales promotion plans
- Small Business Administration (SBA) – to approve low-cost business loans
- Senior Executives – to approve and allocate company resources
- Stock Offerings – to help write a prospectus for selling stock or partnership units
- Suppliers – to establish credit for inventory and materials
- Talented People – to persuade them to join you
- Yourself – to collect your thoughts, analyze your business, set goals and make decisions

Your Reader's Perspective

In addition to providing a large amount of data, your personality and spirit and those of your management team must show through—you're attracting interested people who can help you. The tone and credibility projected in your business plan will determine their response—how your reader will perceive you and your business and take action (\$) on that perception. Remember this and be prepared.

Investors are often heard telling one horror story after another about a business plan “stubbing its toes” on its way into their office. One opportunity is usually all you'll get to demonstrate your competence and the feasibility of your project to your investors, senior executives or clients. These are influential and powerful people. Don't waste their time, bore them or leave them feeling dissatisfied with your work. Show them that you know what you are doing. Think in terms of return on investment. Show that you can project your company's earnings. Show that you can execute your plan.

Are Your Financial Projections Believable?

Many people think a set of financial projections is a business plan. Numbers sometimes lie, or can be used to distort the facts. Most experienced financial people know that a financial projection, no matter how honest and forthright it is, does not represent the complete picture. Conversations with bankers, investors and customers have emphasized how important it is to include several key points in your business plan: the state of your market, your product or service description in detail, market strategy, promotion and sales plans and the management team who is responsible for using the capital and driving your business toward success. All of this information provides credibility for your financial projections.

Nevertheless, the financial plan demonstrates the viability of your business, whether it's a start-up or an established company. Review your financial plan

indicating your projected performance. Rethink your strategy, make changes and see the results...and be able to explain your plans.

Different financing sources look for different things and emphasize different areas—you must be prepared for all of them. Refer to Funding Your Plan in Part 4 for a list of sources. These sources make a difference to the success or failure of your business.

■ 10 Steps to Complete Your Business Plan

Depending upon your experience and time, you may choose to read the instructions and advice for each section of your business plan before filling in the worksheet or simply begin with the worksheet.

Here's a suggested procedure for using *BizPlanExpress* to write your business plan:

1. For a “warm-up” exercise, begin by answering the Top 20 Questions on page 6. The answers to these questions will form the foundation of your business plan.
2. After reading Part 2, Writing the Narrative, do a fairly quick first draft on the worksheets for each section. Cross out any passages that aren't appropriate for your business. (You may want to edit the Title Page, Table of Contents and Executive Summary after completing your second draft.)
3. Follow up with research on areas for which you did not have sufficient information while doing your first draft.
4. Read Part 3, Completing Your Financial Plan, and then prepare your supporting financial statements using the spreadsheet templates. Fill in the worksheet for the financial portion of the business plan.
5. Use the templates to prepare a word-processed draft of the entire business plan. Fill in the gaps in the first draft of the plan as you go. Complete your Title Page and Table of Contents, Executive Summary and Supporting Documents. Include documents as needed. This is the second draft.
6. Have several trusted people look over your second draft for questions and their recommended changes.
7. Input any useful changes to your draft and do a final edit of your business plan. Use at least two people to independently edit/proofread your plan.
8. Input final changes. Read Presenting Your Plan in Part 4 before final printing and distribution of your plan.
9. Identify your target audience and include both a non-disclosure agreement and cover letter with your plan. (See the non-disclosure agreement worksheet in Part 4.)
10. Distribute and track your plan through phone calls or letters as needed.

■ Top 20 Questions



0-20QUES.DOC

Note: Word processing templates are shown with the .DOC extension. Depending on which installation option you select, your files may have the extension .RTF. See details in Appendix A.

Originated to help develop advertising brochures and promotional pieces, the Top 20 Questions are what most people will ask you about your business. BizPlanExpress will help you develop and enhance your responses further in the following sections.

You can also include these answers as an initial summary for bankers or investors. You should have the answers to these questions readily available when seeking a loan or investors for your new venture.

Some of these answers may be appropriate to include in a cover letter for your business plan. (See Presenting Your Plan in Part 4.)

1. What type of business do you have?
2. What is the purpose of your business?
3. Who are your target customers?
4. What is your primary product or service?
5. What is the primary function of your product or service?
6. What are three unique benefits of your product or service?
7. What is your reason for being in this business? (What's a nice person like you doing in a business like this?)
8. What led you to develop your product or service?
9. Who is your competition?
10. How is your product or service different from that of your competition?
11. What are the top three objections to buying your product or service immediately?
12. What is the pricing of your product or service versus your competition?
13. When will your product or service be available?
14. Is this product or service used in connection with other products/services?
15. Are you making any special offers to distributors or customers?
16. What is the key message or phrase that describes your business?
17. What are your current plans for advertising and promotion?
18. Do you have datasheets, brochures, diagrams, sketches, photographs, related press releases, or other documentation about your product?
19. How will you finance the growth of your business?
20. Do you have the management team needed to achieve your business goals?

■ Review Questions

1. What is a business plan? Why should someone in business or thinking of going into business write one?
2. Chris Jordan is starting a local catering business called PartyWorks. Who might be the key targets for the PartyWorks business plan?
3. Ozark Welding Supply is a 25-year-old company that delivers welding gas, rod, and wire to manufacturers and repair shops in a 100-mile radius. The owners have decided that they want to add a retail outlet to serve people with welding equipment at home or the very small business. What financing source would you suggest? What kind of business plan (complete, summary, or operational) should they develop?
4. How will answering the Top 20 Questions that may be asked about your business assist you in completing your business plan?

■ Activities

1. You should have a business concept in mind that you will use throughout this workbook. After you have selected a concept, work through the Top 20 Questions (0-20QUES.DOC).
2. Look at the section 10 Steps to Complete Your Business Plan (page 5). For each step, estimate hours or days to complete. Build a time line. How long do you estimate it will take to complete the ten steps?

*There is one thing stronger than all the armies in the world,
and that is an idea whose time has come.*

— Victor Hugo

Part 2: Writing the Narrative

A business plan is an action-oriented document. Many, if not most, readers will not read your plan from start to finish, at least not the first time through. You want readers to be able to quickly find the section they want and locate the information they're interested in reading within that section. Once they find what they're looking for, the information must be clear and to the point.

Part 2 focuses on writing the non-financial portions of your business plan, from the title page to the marketing plan. It covers the:

- Title Page
- Table of Contents
- Executive Summary
- Vision and Mission
- Company Overview
- Product Strategy
- Market Analysis
- Marketing Plan

Each portion of the plan is covered in Part 2. Each section has background information and instructions and a template for writing that section of the plan.



1. Create the non-financial portions of your business plan
2. Understand the importance of having a formal title page and table of contents
3. Understand the function and components of the executive summary
4. Know how to create your own vision and mission statements
5. Understand the important role of the company overview section
6. Recognize that product strategy is a complex component involving current products, future products, research and development, and production and delivery
7. Analyze your market—define your market and profile your customers and your competition
8. Develop a comprehensive marketing plan to reach your target market