



# HOW TO START BUILDING YOUR BUSINESS

## Step 2: Chart Your Course. Create a Business Plan©

Now that you know *where* Point B is by making a [Life Map](#), you can figure out *how* you want to get there. This step involves building a Business Plan, which will chart the best course from where you are now to attaining the goals you set in Step 1.

**Chart the Best Course to Your Destination.** There might be hundreds of roads that lead to your destination, but you want to design the path that fits you, your needs, your lifestyle, your priorities and your finances.

*Soaring Phoenix* has broken down the business building process into 10 steps to help you develop the strategic approach that will work for you and your business concept. Here, we provide more detail on STEP 2: Create a Business Plan.

### STEP 2: Create a Business Plan.

Creating a business plan is your next and most crucial step. The business plan works in tandem with your Life Map and provides you with the researched information you need to prevent mistakes or to help you work through life's unexpected roadblocks. And it will also help you identify important opportunities to tap into on your journey to attaining your goals. Developing a business plan is your opportunity to determine the soundness of your strategy and implementation plans for your road trip.

The plan is also the key to getting funded (more on that in Step 5). When seeking financing, investors or lenders will want to read your plan before they supply you with money. They (and other [great people](#) you will want to work with) will rely on what you say in your plan to evaluate the viability of your business concept, the potential for generating revenue and the timing of investment returns, so spending dedicated time now is an important to get you started building your business!

In this section, *Soaring Phoenix* provides you with an outline of a typical business plan that you can tailor to your specific needs. Some of the key categories it will help you think about are pinpointing your target market, honing your strategic approach, outlining your tactics, creating your budget, compiling your launch and operations calendar and creating your exit strategy.

### Business Plan Outline

Feel free to use the following as a guide. Addressing the components individually helps make the drafting process a more manageable task.

#### Executive Summary

This should be an overall summary, providing the readers of a snapshot of your plan and its elements. It should not exceed two pages—no matter how big your business plan. Even though it appears at the beginning of any business plan, it is best written once you have completed writing all the other parts of the plan. The executive summary:

- Explains Company mission
- Gives an overview of business: the strategy, operation, staff required, and market.



- Discusses the ownership of the business and the legal structure (See Step 3).
- Discusses the advantages you and your business have over your competitors.

### **Company Summary**

This part of the business plan will:

- Give a detailed description of the business and its goals.
- Discuss value proposition and the business model.
- Summarize key assets.
- List the skills and experience you bring to the business.

### **Market Analysis**

In this section, you will:

- Discuss the products/services offered.
- Identify the customer demand for your product/service.
- Identify your market, its size and locations.
- Explain how your product/service will be advertised and marketed.
- Explain the pricing strategy.

### **Operation and Implementation Summary**

This section truly reflects the thought and knowledge that you have put into making sure the business will be humming once the doors are opened. You will want to:

- Explain how the business will be managed on a day to day basis.
- Discuss hiring and personnel procedures.
- Discuss insurance, lease or rent agreements, and issues pertinent to your business.
- Account for the equipment necessary to produce your products or services.
- Account for production and delivery of products and services.

### **Management Summary**

As you communicate how the operation will be managed, you should:

- Explain the key personnel involved or required.
- Discuss job descriptions, responsibilities and salaries.
- Highlight relevant experience of anyone due to be hired for a position.

This summary is all the more critical if you plan to run a one-person operation. In this section, you will have to address the above three bullet points considering your expertise in critical areas or indicating your intentions to outsource (see "Step 6: Organize Logistics") any crucial support, peripheral needs and critical expertise that you cannot provide the business on your own.

### **Financial Management**

This section will be examined with a fine-toothed comb by almost everybody who reads your business plan. You will want to:

- Explain the source and amount of initial equity capital.
- Develop a monthly operating budget for the first year.
- Develop an expected return on investment and monthly cash flow for the first year.
- Provide projected income statements and balance sheets for a two year period.
- Discuss your breakeven point.
- Explain your personal balance sheet and method of compensation.
- Discuss who will maintain your accounting records and how they will be kept.
- Provide a "what if" statement that addresses alternative approaches to any problem that may develop.

(If you feel out of your depth developing your business plan financials, we have developed an important tool to help you forecast and manage the financial side of your startup business - a cash flow tool. [Control Your Cash Flow](#) looks at how cash moves in and out of your business on a monthly basis. By using a cash flow tool to prepare a cash management report before the launch of your business, you'll be



able to determine if you'll need to raise outside capital, when you'll need it, and how much will be required.)

### **Exit Strategy**

Summarize your business goals and objectives and express your commitment to the success of your business.

**Are You Exempt From Writing A Business Plan?** If you are financing the business yourself, you will still want to have a written plan to develop business strategies and financial projections. A key element within the business plan is the marketing plan, which explains your strategic approach to generating the demand for your products or services. The goal setting steps of the plan will help you analyze the success of the business, and it will clearly illustrate the capital needed to operate the company to break even.

**Thinking Ahead.** You will notice that while writing up the elements of the business plan you are anticipating all the details that play a role in building or advancing the business, but are not necessarily related to the industry in which it is categorized. Successful and experienced entrepreneurs write business plans, because they know that the research they conduct in doing so is invaluable to drawing a realistic picture towards launching a successful enterprise. Whether this means you discover higher costs for protecting your intellectual property (Step 4) or you change your mind on what you thought was the right business structure (Step 3) for your plan, a business plan will get you prepared.

**Ensuring Your Business & Your Ideas Are Protected.** In the next couple sections, *Soaring Phoenix* helps you decide on the best “insurance” to protect you and your vehicle (your company) for getting your business in gear and on the road to success—your Business Structure. (If you have not reviewed steps 3 and 4 while writing your Business Plan, then you are not done with Step 2.) Step 3 will be invaluable as you decide on the legal coverage that suits your need to protect your legal and financial vulnerability. And in this Step 4, *Soaring Phoenix* alerts you to the impact that *not* protecting your intellectual property can have on your plan to get your business in gear—whether or not you are worried about having your great idea stolen from you and implemented into a thriving business before you could.

**You Did It!** Once you have completed your business plan, review it with a friend or business associate. Be warned! They will have comments; but remember that it is only to help you tighten your plan to make it more effective. When you feel comfortable with the content and structure of your business plan, make an appointment with your lender to review it. The business plan is a flexible document. Investors and lenders will have knowledge about successful businesses and good business plans to share with you some of the weak links. (You might even find a mentor! More on that in Step 10.)

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Don't have time to write your own plan? Maybe you just want a second opinion, someone to review your work. Contact Soaring Phoenix so we can help you create [the business plan](#) (link to business plan page) that will secure you the financing you need



Has your business reached a plateau? Are you struggling to find the solution to your business dilemma? [Soaring Phoenix](#) helps you reach new growth through strategic solutions.

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