

CHAPTER 5

Preparing For Your Own Business

Preparing For Your Own Business

- A **business plan** is a written description of a new business venture that describes all aspects of the business.
- Some questions to consider before starting your own business are:
 - What will I produce?
 - Who are my main competitors?
 - Why is my product needed?

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- Some questions to consider (Continued):
 - How much will my product cost to produce?
 - How many people will I need to run the business?
 - What physical facilities will I need?
 - What licenses, permits, or other legal documents do I need?
 - How much money will I need to get started?

Essentials of a Business Plan

- Summary
- Company description
- Products and services
- Marketing plan
- Legal plan
- Management and operating plan
- Financial plan

Essentials of a Business Plan

- The **summary** is a one- to three-page overview of the plan.
- The **company description** explains the type of company.
- Describe **products or services** in the products and services section.
- The **marketing plan** describes your customers and your competition.
- A **legal plan** points out how you will organize your company.
- The **management plan** and operating plan detail the company's key personnel.
- Complete a **financial plan**.

Essentials of a Business Plan

- **Tips for Writing an Effective Business Plan**
 - Be brief and relevant.
 - Don't inflate the importance or possible success of your business.
 - "Write short and be honest," is a good rule of thumb.