Intro to Business
Business Plan Directions

This is your final project for Introduction to Business. You will be assigned to a group of 3-4 people and will create a business plan for a startup business your group creates or selects. Welcome to the real world of entrepreneurship and business!

You are to create a start-up business that is located at least 15 miles North and East of Brainerd.

Some obvious things must be mentioned: the content of your business plan must be well-researched, well-thought-out, and well-written. Complete sentences must be used. Spelling, grammar, and punctuation must be flawless. Remember: this business plan is what your group would bring to a bank or other loan institution with the hopes of getting a business loan to start your business.

Feel free to use the outline below as a checklist for your business plan. Your bp should include the following parts:

I. ***Cover Page***. Include the name of your business, the address, the phone number, your website address, your logo (very important) and any other graphics you wish.

II. ***Table of Contents***. Identify the various sections of your business plan. Be sure to include page numbers so that information can be easily accessed. Be specific, especially with the items in the appendix.

III. ***Business Plan***. Include the following sections with the corresponding information.

A. *Business description*.
   1. This is a shorter description, but it should include the name, the type of business, the products or services offered, your target market(s), location and hours of operation, history, and start-up date. You should also include the business form of organization (partnership, LLC, S Corporation, etc.) your group has selected and why you chose it.
   2. How much initial capital will you begin with? As a group, you have equally invested $30,000. How large will your loan request be?

B. *Products*.
   1. Detailed description of products or services.
   -What are the categories of items that are offered? (If you were a grocery store, you would list product, canned goods, frozen food, meats, home supplies, candy, pop and water, etc.)
      -What are three different brands or each item offered?
      -What are the different slogans for the different brands of suppliers?
   2. Customers.
      -Who are your customers for your products or services?
      -Why will they buy them? Why will they buy them from you?

3. Uniqueness and Market Niche.
-How are your products distinguished from other similar or competing products in the marketplace?

C. *Operations*.

1. Hours of Operation.
   -What are the business hours during the week and on the weekends?
2. Location.
   -Include the street address and a short description of whether the business is located in a business or residential area.
   <u>*Additional assignment:</u> Print out a map of the whole town with your business's location starred (Use mapquest or something similar). Then print out an eight-block view of your business and the surrounding area. Make sure it is easy to view the area's traffic paths, etc.
3. Facility.
   -Describe the store layout and a description of the image you want to the store to project. How are items arranged (shelves, tables, chairs, check out, etc.)? Are any items seasonal only? Will you purposely group some items near other items? What is the first thing you want your customers to see when walking in your store?
   <u>*Additional assignment:</u> Print out a diagram of the store and include it in your appendix.
4. Operations Plan.
   -What customer service plans do you have? (Will you deliver to your customers, special or custom orders, consultation services, etc.)
   -How often do you predict your shelves will need to be restocked?
   -When will the products and their placement be changed? Will it be seasonal? Why or why not?
5. Personnel required.
   - How many workers do you plan to hire initially?
   -On what day and what times will they work?
   -How and when will the owners work?
   -What are your personnel policies (breaks, food included, uniform requirements), and what benefits will you provide?
   <u>*Additional assignment:</u> Create a want ad for workers that will be placed in the local newspaper and include it in your appendix.
6. Basis of Operations.
   -Will you accept cash, check, or credit? If you accept credit cards, which ones? How much must you pay for their use? (Research online) Will you allow local, regular customers to have a charge account with you?
7. Key Suppliers.
   -What are the names of three potential suppliers from whom you'll receive your products?
   -What are the terms of payment for these suppliers? (cash or credit)
8. Inventory.
   -Estimate how much of each product that you will initially purchase, then estimate how often you will need to reorder.
9. Key Factors for Success.

-What do you think will be key factors in your business's success? What policies will you have in place for your workers? your customers? your suppliers? your competition? anyone else?

D. *Marketing.*

1. Target Market.

-Be specific. Include age, gender, income, location, and other demographics.
-Potential psychographic information. To whom will you cater? How will you focus on them?

2. Industry Analysis (National).

-What are the current trends in the marketplace? How has the economy affected your decisions?
-Is there a strong need for your business? Why?

3. Market Analysis (Local).

-What is the size of the local market?
-What share of the market will you attempt to capture?
-Is your market seasonal or cyclical?
-Describe any unique aspects of the local market.
-Identify any potential barriers that you might face, such as competition, changes in the economy, and possible internal problems.

4. Marketing. (Describe the four P's for your business.)

Product: What type of variety will be offered between and within brands?

Price: How will you initially price your products or services in relationship, by percentage of your costs, to your competitors? Why?

Place: Why was this location chosen as the place for your business? What are the pros and cons of this location? Is expansion (opening a business in another location) in your future plans? Why or why not?

Promotion: What types of media are available to you? What types will you initially use to generate awareness of your potential customers?

5. Advertising and Promotion Strategy.

-What is the basic overall strategy that your business will incorporate to advertise and promote the business?
<u>*Additional assignment:</u> Create examples of the following promotional materials and include them in your appendix: email address,
-Business card (with logo),
-A letter to customers introducing your business (using store letterhead that includes your logo) that includes bulk mailing rates
-A coupon for your products or services,
-A billboard (be artistic!)
-A printed copy of a radio advertisement (20-second or 30-second). Research costs for newspaper ads and radio time and include the cost on each item.

E. *Competition.* (You'll need to visit your competition's store(s) to analyze the competition better.

1. Identify your competition.

-Who is the competition?

-Where is the competition located?
-What is the competition's image?
-What types of products does the competition sell?
-What are its strengths and weaknesses?
-How might you succeed in beating the competition?

F. Management and Governance.

1. Salaried Personnel.

-What are the skills, education, training, and experience of your personnel?

2. Management of the Business.

-What are the duties that need to be performed? (Be thorough) Who will perform them?
-Divide the following responsibilities among your group members:
President/CEO (depending on your form of business organization)
Marketing Director
Human Resources Manager
Purchasing manager
Director of Finance/CFO

<u>*Additional assignment:</u> Create an organizational chart displaying the structure of the business from top to bottom and place it in your appendix. (Use the feature in Microsoft Word)

3. Legal Structure of the Business.

-What is the legal structure of the business (proprietorship, partnership, franchise, or corporation)?
-Why did you choose this form of ownership?
-What are the advantages and disadvantages of the form you chose?

G. *Key People and Professional Services.*

1. Professional Services.

-Who might provide the accounting, legal, and other services that your business requires? (Use the yellow pages and/or Internet to research)
-Will a consultant ever be hired, and, if so, under what conditions?

H. Risk Factors.

1. Risks the Business Faces.

-List various risk factors and explain how they will be overcome. (What uncertainties must your business deal with? What risks are involved with the form of business ownership you chose? What risks do you have from competition? Can you think of any other risks?