



WRITING A VALUABLE BUSINESS PLAN

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By Tara Carr, Small Business Development Director at UW-Green Bay

According to the Small Business Administration (SBA), 28 million small businesses account for 54% of all U.S. sales. Small businesses, which has less than 500 employees, provide 55% of all jobs and 66% of all new jobs. The Small Business Development Center at UW- Green Bay works with entrepreneurs in developing strong business plans. From a big picture macro perspective, a strong business plan has three sections: marketing, operations and financing.

The marketing plan involves identifying the target market and developing ideas on how to market the product or service. Who will buy the product? Business owners would like to believe that everyone and everybody will buy from the business, but that is not realistic. Since entrepreneurs have limited funds, it is necessary to define who the business will target and how to capture that demographic. How and where will the business be advertised? The marketing plan forces the business owner to research industry and market trends and make decisions on how to advertise, such as social media, television, radio, print, and signage.

The business plan also forces the entrepreneur to evaluate the competition. It is important to have a thorough understanding of the competition and where product or service gaps may exist. From evaluating and researching industry, market and competitor data, an analysis can be formed on how this new business concept fits into the economy.

The second part of the business plan is the operational plan. The operational plan allows the entrepreneur to plan short and long-term goals, prepare customer service planning agreements, work schedules, hours of operation, inventory and vendor selection, organizational charts, support staff planning or outsourcing strategies, leasing or purchasing costs and identifying strengths, opportunities, threats and weaknesses. How the business will operate are important keys to generating cost analysis and projections.



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The financial plan is the most dreaded and feared aspect of the planning process, but definitely THE most important. Bottom line...it is imperative for business owners to know if they can afford to operate this business, how much product they need to sell, for how long and how much will it cost? Are there enough revenue streams or is there an opportunity to increase revenue another way? Key components of the financial plan include: start-up costs, operational costs, budget, cost of goods sold, realistic sales forecasts, balance sheet, income statement and cash flow statements. It is not necessary to be an accountant or a Chief Financial Officer to operate a business. However, it is important to have a grasp on what it takes to pay the bills or IF the funds are available for purchases and payroll costs.

Interested in starting a business? Opening a business involves a lot of risk. In effort to proactively combat the risk...research, plan, research and plan some more. The Small Business Development Center, which is funded by the SBA, is making a difference by mentoring entrepreneurs and offering courses such as the Entrepreneurial Training Program. The SBDC also provides counseling, business planning, professional development training, strategy development and succession planning. The SBA/SBDC is making a difference in business start-ups. In 2010, 6,426 establishments opened in Wisconsin, and 71.3% survived through 2012. In 2013, 9,874 establishments opened, and 83.1% survived through 2014. The positive trend in successful small businesses is largely due to entrepreneurs being proactive by developing business plans, receiving business counseling and growing the necessary skills to take their business to the next level.

The Wisconsin Small Business Development Center (SBDC) at the University of Wisconsin Green Bay is part of a statewide network of SBDCs working with business owners and entrepreneurs to facilitate business growth and improvement, and to launch successful new companies. The Small Business Development Center offers a variety of services: no-cost business consulting, customized business solutions, financial management, growth & strategic planning, and professional development training.

