**How to write a business plan**

Thinking about starting a business? Great. Have you got a Plan? That's Plan with a capital "P" for Business Plan. If you haven't written your plan yet, your business is still in the fantasy stages.

That isn't harsh; it's how it is in the real world. A company's business plan is what lenders such as banks and the U.S. Small Business Administration use in deciding to lend you money. It's the main company document that your employees—and you—use to gauge your company's success and to make decisions about what you should do first, second, or not at all.

If you're starting a home-based business on a shoestring, some of these suggestions probably aren't necessary, but you still should create a plan that outlines your goals, expected costs, marketing program, and exit strategy. A business plan is your road map for how you expect to succeed and how you'll measure success.

Here is a quick nine-step guide to what you will need in your company's business plan:

**1. An executive summary outlining goals and objectives**

The executive summary introduces your business strategy and probably is the most important section for lending institutions. If you can't persuade a loan officer in the first two or three pages that you've got a viable business proposal, you're going to leave empty-handed. This summary is also important as a communication tool for employees and potential customers who need to understand—and get behind—your ideas.

**2. A brief account of how the company began**

Clearly explain the origins behind the company's creation and how you or your business associate came up with the idea to start your business.

**3. Your company's goals**

Explain in a few paragraphs your short- and long-term goals for the company. How fast do you think it will grow? Who will be your primary customers?

**4. Biographies of the management team**

The management section should include the names and backgrounds of lead members of the management team and their respective responsibilities.

**5. The service or product you plan to offer**

A key aspect of this section will be a discussion of how your product or service differs from everything else on the market.

**6. The market potential for your service or product**

Remember that you've got to convince lenders, employees, and others that the market you're after is relatively large and growing. You'll need to do some research for this section. If it's a locally based business, you need to assess the demand for your offering within an xx-mile radius, based on what you determine is a reasonable distance from your business. If it's a web-based business or a business that relies on both the Internet and local traffic for revenues, you'll need to evaluate demand on a local and/or a national basis. A research report from sites such as Forrester Research can cost hundreds to thousands of dollars, but you may be able to get some basic information simply by using the web and its many search engines and directories.

7. A marketing strategy

How do you plan to tell the world you're open for business? Will you rely exclusively on word of mouth (not a good plan unless you've already got a reputation)? Will you advertise in print, television, or on the web (or all three)? Will you use online services to get your company listed on search engines and advertised on other websites? You'll also need to include how much you plan to spend on marketing.

8. A three- to five-year financial projection.

All good business plans include a section that lays out the benchmarks you'll use in deciding to call it quits. The strategy could be based on a dollar figure, revenue growth, the market's reception to your idea, or a consensus among top officers.

9. An exit strategy.

Some people may disagree with me here, but no speaker wants to be chatting to a crowd that's busy reading a summation of her remarks. Unless it is imperative that people follow a handout while you're presenting, wait until you're done to distribute them.