

Flowchart for Creating a Business Plan

Marketing

Finance

Operations

Written Pres.

Oral Pres.

Start



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Decide on a product or service you think might have potential as a business. It does not need to be a totally new product or service, just something you believe would be a viable business.

Give your product or service the "Reasonableness Test" by answering some basic questions in very general terms.

- > Who will buy it?
- > Where are these buyers?
- > What price would these buyers be willing to pay?
- > Is there competition and if so, what would make your product or service preferable to that of your competition?
- > In terms of people, what will it take to make the product or provide the service?

Rethink your product or service before continuing.

No

Are you comfortable with all of your answers to the above?

2/25/14

Yes

2/13/14

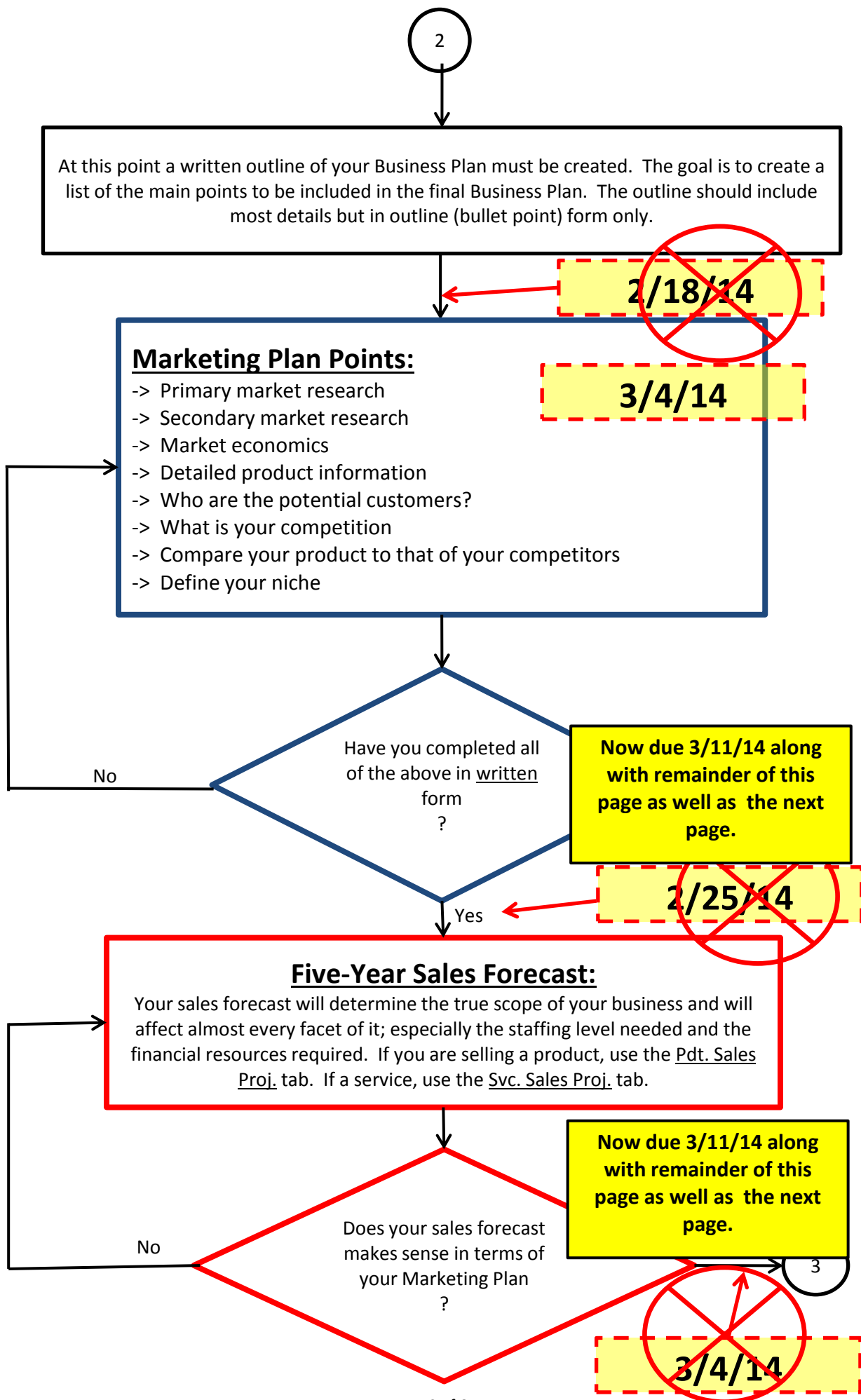
Carefully describe exactly what product or service your company will provide.

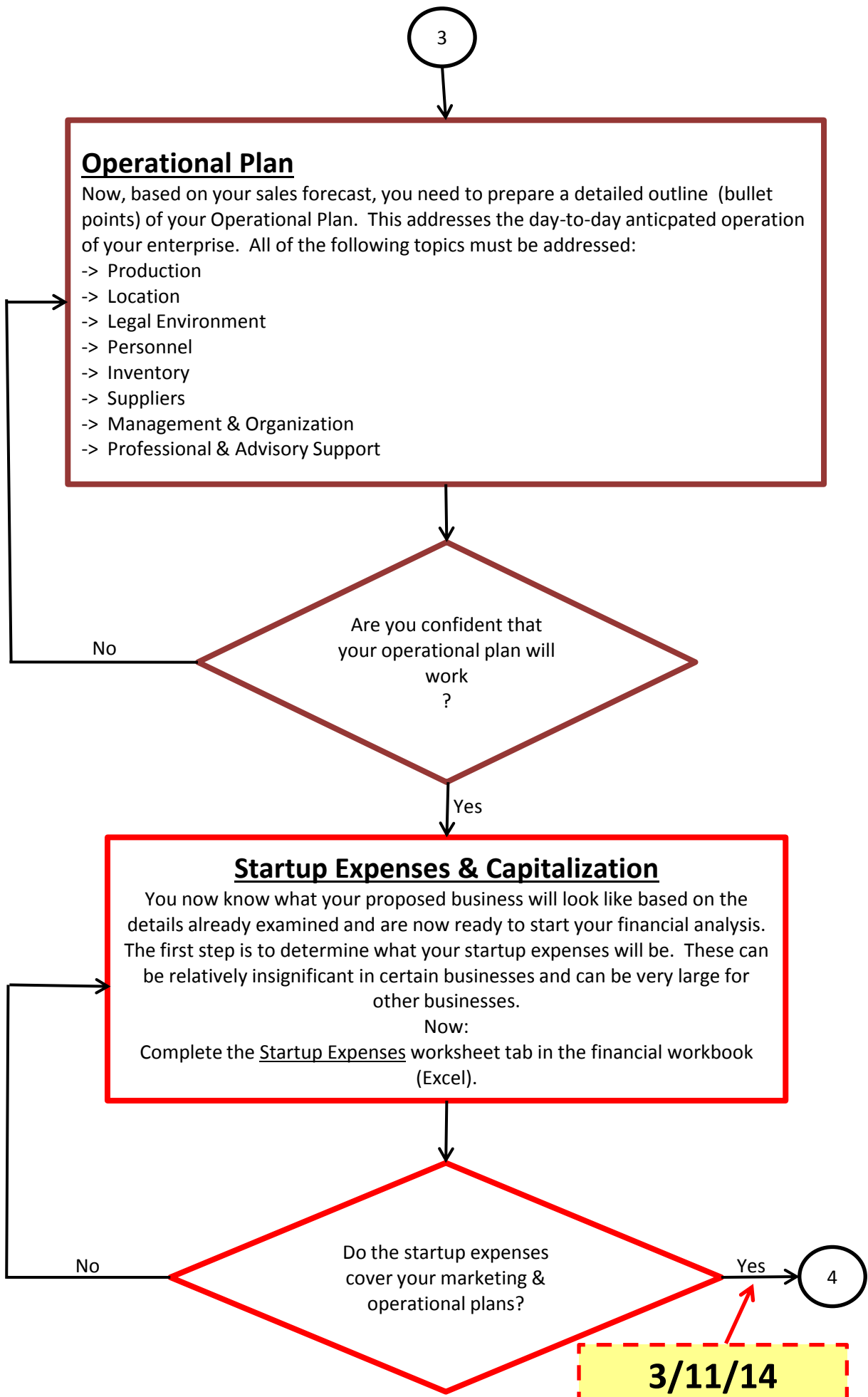
No

Does your precisely-defined product or service still meet the "Reasonableness Test" ?

Yes

2





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Five-Year Profit & Loss Statement (P&L)

Having completed your Marketing Plan, Sales Forecast, Operational Plan, and examined your Startup Expenses you are now ready to create a projected P&L for the first five years of your business. Use the 5-Year P&L worksheet tab in the financial workbook.

Fill in all of the information required in the 5-Year P&L tab.

Investigate what you can do to show a profit in 2-3 years. If it takes longer, venture capitalists will be very reluctant to invest.

Does your business become profitable within 2-3 years?

No

Yes

Look at the Projected Cash Flow tab in the financial workbook. All information is automatically filled in except for the amount of funding to be requested of the venture capitalists. You may need to "play" with this figure in order to maintain a positive cash balance at all times.

Is your cash balance always positive?

No

Yes

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