

INVENTOR & ENTREPRENEURS GROUP

APRIL 23, 2019

WHY DO A BUSINESS PLAN

Bank Requirement

You – Those who fail to plan, plan to fail

Is it a business or a hobby???



SOURCES AND USES OF FUNDS

Uses of Funds

Building/Improvements

Fixed Assets

- Equipment, Software, Signage, Furniture, etc.

Inventory

Start-up

- Deposit, Legal, Insurance, Marketing, Closing Costs, etc.

Working Capital (LOC?)

- From projections to cover losses until cash flow is positive

Sources of Funds

Bank/SBA 80%

Business 20%

With ASSUMPTIONS



PROJECTIONS/CASH FLOW (MONTHLY FOR A YEAR)

Income

- Could be 2-3 different sources

COGS (What is it?)

- Product, Labor, CC Fees, etc.

Operating Expenses

- Ads, Insurance, Loan (rent), Telephone, Utilities, Wages (& taxes), etc.

Net Profit (Loss)

Accumulative

With ASSUMPTIONS

TEXT OF THE BUSINESS PLAN (TELL YOUR STORY) [EXECUTIVE SUMMARY]

The Business

- Service/Product, Location, Facility/Improvements, Operations

The Industry

- Growing/Stable/Declining – past 5 years and the outlook

The Market

- People/Companies, Geographic Area, Competition, Marketing Strategies, Promotion (how to)

The Management

- Owner(s), Personnel, Professional Support

Financial Information

- Sources & Uses, Projections, Break-Even Analysis (PFS, Tax Returns, etc.)
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BUSINESS PLAN FOR THOSE IN BUSINESS (WORKING ON YOUR BUSINESS NOT JUST IN IT)

EOS ® (Entrepreneurial Operating System ®)

10-Year Target (where are you going?)

- Sell & Retire, Lease to Own, One to 2 or 3 locations

3-Year Picture (a step along the way)

- Sales, COGS, OE, No. of employees, etc.

1-Year Plan (what has to happen this year?)

- Sales, COGS, OE, No. of employees, etc.

Quarterly Rocks (1-2 things that have to be accomplished this quarter)

- HR example – recruitment, interviews, orientation, training, evaluations, advanced training, etc.

OTHER ELEMENTS OF EOS ®

SCORECARD (Weekly Measurement) [What gets measured gets improved]

- Sales (from Profit Plan) – week, month, YTD
- COGS (as a percentage of sales)
- Operating Expenses (fixed)
- Orders on hand, estimates submitted, sales calls, etc.

Issues (from the Management Team)

- Obstacles, concerns, opportunities, etc.

Level 10 Meeting (Management Team)

- Reporting (e.g. Scorecard, etc.)
- IDS (Identify Discuss and Solve Issues)

