

# WHY WRITE A BUSINESS PLAN?

Presented By:

Donald Cain III, Business Consultant  
Cowley College KSBDC

# Why Write a Business Plan?

- ▣ To test feasibility
  - Will it cash flow?
  - Much less painful on paper



- ▣ To map out the future
  - Be prepared for detours



# Why Write a Business Plan?

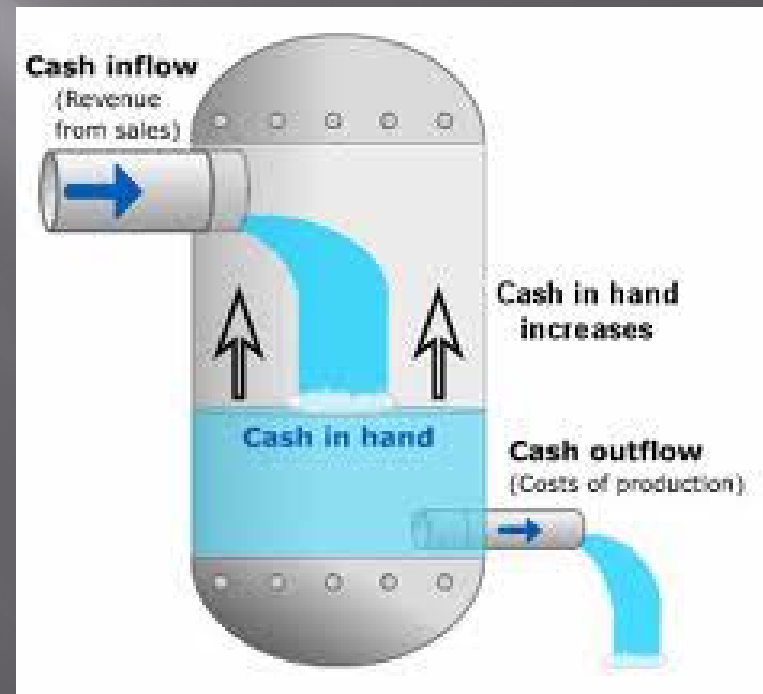
- ▣ To carve out measurable goals
  - Do you know when you expect to break-even?



- ▣ To communicate course of action
  - What's your mission?
    - ▣ Nike's Mission- "Bring Inspiration and Innovation to every athlete in the world."

# Why Write a Business Plan?

- ▣ To help manage cash flow
  - 51% of companies that file for bankruptcy are profitable



# Why Write a Business Plan?

- ▣ To support a strategic exit
  - 30% make it to the 2<sup>nd</sup> generation
  - 10% make it to the 3<sup>rd</sup> generation
  - 3% make it to the 4<sup>th</sup> generation



# Why Write a Business Plan?

- ▣ To obtain financing/investment
  - SBA reports entrepreneurs that spend the time and effort on a business plan are 6 times more likely to succeed.



# Key Words For Writing a Business Plan

- ▣ Who?
- ▣ What?
- ▣ Where?
- ▣ When?
- ▣ How?
- ▣ Unique
- ▣ Benefit to the customer
- ▣ Tip: Always write in the third person!  
Use your company name.

# Helpful Tips

- ▣ Plain White Paper
- ▣ Font Size- 12 pt.
- ▣ Total Length- 12-15 pgs
- ▣ Avoid Overly Optimistic Assumptions
- ▣ Underestimate Sales
- ▣ Overestimate Cost
- ▣ Do Not Ignore Industry Trends

# Helpful Websites

- ▣ [www.accesskansas.org](http://www.accesskansas.org)
- ▣ [www.sampleplans.com](http://www.sampleplans.com) for sample business plans
- ▣ [www.bplans.com](http://www.bplans.com) for sample business plans
- ▣ [www.sba.gov](http://www.sba.gov)
- ▣ [www.cowleycounty.gov/ksbdc](http://www.cowleycounty.gov/ksbdc)
  - Free business plan consulting
  - 620-402-6440

# Thank You

## Any Questions??

