

# advantage

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*Our mission is to provide information and strategies to business owners and managers for improvement in the effectiveness of its business management so that key objectives can be realized.*

## What Makes a Good Business Plan?

Common thinking proposes that to attract investors and communicate your plans to either begin or grow your business, a business owner must have a "good" business plan. What exactly is a good business plan? Different business professionals want to see different information. How do you convey your particular message about your unique "good" business plan to your intended audience?

Writing a viable business plan is definitely a core part of starting or owning a business. If you want to attract investors and other entities that will be willing to give you money to start or improve your business, it is an excellent strategy to begin with a good business plan.

This plan should, first and foremost, clearly address your primary aim for starting the business. This key ingredient is commonly known as "a sound business concept." It states your strategic objectives for accomplishing your business goals. As importantly, it is absolutely imperative – repeat, imperative – that your business plan convey the passion you have for your company and your business idea, and be written in an easy-to-understand format. A business plan communicating passion? Yes, a business plan should, among its other goals and objectives, also show your passion for wanting to start and grow this new business in the first place! Any investor – from a lending institution to an individual – that is thinking about lending you any substantial amount of money wants to have absolute confidence in you and your new business idea. Your passion and conveyance of such in your business plan will help to infuse this feeling.

Perhaps passion and writing in an easy-to-understand format aren't what you normally think of as a "good" business plan. Remember your dream to own your business; put this focus into embracing these suggestions along with those tried and true conventional formulas, and you're on your way to your unique, passionate "good" business plan!

So, what are the basics for a good business plan? Read on. The following offer an easy outline.



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**Sound business concept.** This spotlights the opportunity and why it is a great idea to act now to capture this new business venture.

**Vision statement.** This is a succinct explanation of the purpose of your business and your immediate business goals.

**The business profile.** This is a descriptive narrative of your planned business operations and should outline precisely how you intend to run your business. Be specific about the market your business will serve.

**Your team.** Tell your story – how your past experience in business and in life uniquely qualifies you to start this particular business and make it a success for you. If there are areas that you know you aren't as qualified for as someone else is, i.e., perhaps you are not well versed in human resources or public relations. Then include the story of the people on your team who are qualified – show how they add value and complement your efforts in getting your business off to a running success.

**Economic assessment.** Detail the specifics of how your business will integrate into your targeted market. Why will your brand of products and/or services offered be a success in its demographic and economic environment? How will your business complement other businesses already established in the same area?

**Cash flow and financial management.** The nitty-gritty topics. Detail down to the penny, if possible, a one-year business operating plan that includes:

- capital requirements
- payroll projections
- expected receivables and payables
- possible emergency expenses
- industry-specific and other expenses

Explain your contingency plan should an unexpected business expense crop up that might derail cash flow projections. Include revenue projections for the same time period. Be sure to be conservative as you make your sales and profitability forecast.

**Marketing strategy.** How will you market your products and eventually expand from one targeted market to another? The marketing strategy includes tactical items as well, including promotion, PR, and targeted marketing to specific client groups or areas demographically.

Using these components in your business plan will net you a huge advantage when you present yourself, your idea, and your business plan to peers in your market, and to your potential lenders or bankers. Keep in mind that “good” business plans help you stay on track with your company objectives from year to year. Give us a call for help with any section of this business plan outline, or to discuss how we can help you create a viable business plan for your company. ■