

Form Follows Function



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Not the Old Standby


Necessarily

- Executive Summary
- Company
- Product or Service
- Market Analysis
- Strategy and Implementation
- Management Team
- Financial Projections



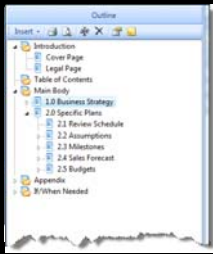
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Blocks. Modules




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Do Only What You Need



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Separates Plan from Background



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3. Planning is Management

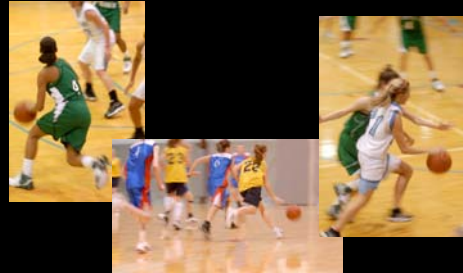


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Metrics & Tracking



4. Planning Manages Change



5. Planning not Accounting



5 Planning Fundamentals

- 1. It's About Results
- 2. Form Follows Function
- 3. Planning is Management
- 4. Planning Manages Change
- 5. Planning Is Not Accounting

Your Business Plan

- 1. Fundamentals
- 2. The Heart of the Plan
- 3. Flesh and Bones
- 4. Dressing and Growing
- 5. Q & A

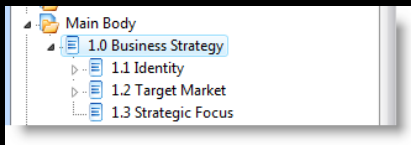
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Enmeshed: Chicken, Egg, and er, Rooster?



The Heart of the Plan



Your Business Identity



Study the Mirror



Core Competence



Your Specific Keys to Success



SWOT



Market Who and Why



Profile Your Ideal Customer



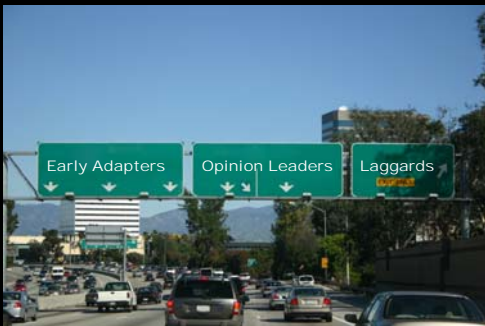
Tell the Story



Target Needs and Wants



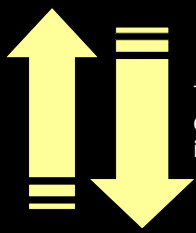
Divide & Conquer



Strategy is Focus



Strategy is Focus



The more priorities or key points included...

The less likelihood of implementation...


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Strategy Is Tailored



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Tough Decisions



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Understand Displacement



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Knobs You Can Turn



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Your Business Plan

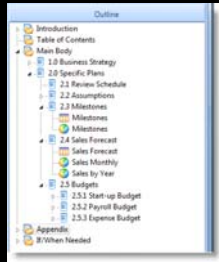
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Action Plan: What? When?



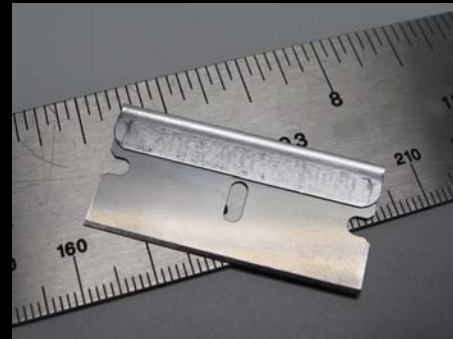
Do the Review Schedule First



Identify Important Assumptions



Develop Metrics



Match Tasks to Owners



Milestones Make a Plan Real

| Milestone | Start Date | End Date | Budget | Manager | Department |
|------------------------|------------|------------|------------------|---------|------------|
| Corporate Identity | 12/1/2005 | 12/17/2005 | \$10,000 | T.J. | Marketing |
| Seminar implementation | 1/1/2007 | 1/16/2007 | \$1,000 | IR | Sales |
| Business Plan Review | 1/2/2007 | 1/11/2007 | \$0 | RJ | GM |
| Upgrade mailer | 1/2/2007 | 1/17/2007 | \$5,000 | IR | Sales |
| New corporate brochure | 1/2/2007 | 1/17/2007 | \$5,000 | T.J. | Marketing |
| Delivery vans | 1/1/2007 | 1/25/2007 | \$12,500 | SD | Service |
| Direct mail | 2/2/2007 | 2/17/2007 | \$3,500 | IR | Marketing |
| advertising | 2/2/2007 | 2/17/2007 | \$115,000 | RJ | GM |
| 1/4 Prototype | 2/1/2007 | 2/25/2007 | \$2,500 | SG | Product |
| Service revamp | 2/1/2007 | 2/25/2007 | \$2,500 | SD | Product |
| 6 Presentations | 2/2/2007 | 2/26/2007 | \$0 | IR | Sales |
| 1/4 Testing | 3/1/2007 | 3/6/2007 | \$1,000 | SG | Product |
| 3 Accounts | 3/1/2007 | 3/17/2007 | \$0 | SD | Sales |
| L30 Prototype | 3/1/2007 | 3/26/2007 | \$2,500 | PR | Product |
| Tech95 Expo | 4/1/2007 | 4/12/2007 | \$15,000 | TB | Marketing |
| UP S&M hwed | 6/1/2007 | 6/11/2007 | \$1,000 | JK | Sales |
| Mailing System | 7/1/2007 | 7/25/2007 | \$5,000 | SD | Service |
| Totals | | | \$181,500 | | |

Forecast Your Sales



Sample Sales Forecast

| | Oct | Nov | Dec | 2009 | 2010 | 2011 |
|--------------------------------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|
| Unit Sales | | | | | | |
| Whiplets | 285 | 107 | 287 | 2,637 | 3,428 | 4,458 |
| Whiskies | 500 | 374 | 570 | 5,274 | 7,084 | 8,317 |
| Other | 0 | 0 | 0 | 477 | 510 | 527 |
| Total Unit Sales | 795 | 561 | 857 | 8,398 | 11,332 | 13,302 |
| Unit Prices | | | | | | |
| Whiplets | \$29.00 | \$22.00 | \$23.00 | \$23.00 | \$28.00 | \$23.00 |
| Whiskies | \$50.00 | \$50.00 | \$50.00 | \$50.00 | \$50.00 | \$50.00 |
| Other | \$10.00 | \$10.00 | \$10.00 | \$10.00 | \$10.00 | \$10.00 |
| Sales | | | | | | |
| Whiplets | \$8,265 | \$4,475 | \$7,123 | \$65,922 | \$95,696 | \$111,458 |
| Whiskies | \$26,500 | \$18,700 | \$28,500 | \$263,700 | \$369,180 | \$516,852 |
| Other | \$0 | \$0 | \$0 | \$4,770 | \$5,110 | \$5,271 |
| Total Sales | \$34,765 | \$23,175 | \$35,623 | \$334,392 | \$469,986 | \$633,581 |
| Direct Unit Costs | | | | | | |
| Whiplets | \$6.25 | \$6.25 | \$6.25 | \$6.25 | \$6.25 | \$6.25 |
| Whiskies | \$17.50 | \$17.50 | \$17.50 | \$17.50 | \$17.50 | \$17.50 |
| Other | \$4.00 | \$4.00 | \$4.00 | \$4.00 | \$4.00 | \$4.00 |
| Direct Cost of Sales | | | | | | |
| Whiplets | \$1,756 | \$1,149 | \$1,781 | \$16,480 | \$21,415 | \$27,857 |
| Whiskies | \$8,718 | \$6,545 | \$9,975 | \$92,295 | \$129,213 | \$180,898 |
| Other | \$0 | \$0 | \$0 | \$1,832 | \$2,081 | \$2,289 |
| Subtotal Direct Cost of Sales | \$10,474 | \$7,694 | \$11,756 | \$110,607 | \$152,709 | \$211,044 |

Forecast From Recent Past



Expense Budget

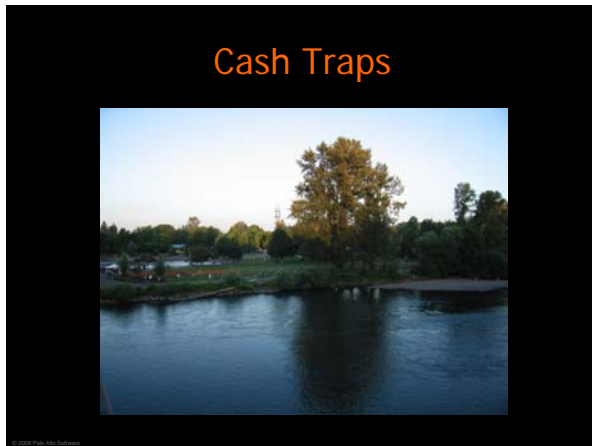
| | Jan | Feb | Nov | Dec | Year 1 |
|--------------|-----------------|-----------------|-----------------|-----------------|------------------|
| Payroll | \$12,000 | \$12,000 | \$27,250 | \$27,250 | \$194,750 |
| Advertising | \$13,500 | \$13,500 | \$13,500 | \$13,500 | \$162,000 |
| Leases | \$500 | \$500 | \$500 | \$500 | \$6,000 |
| Utilities | \$1,000 | \$1,000 | \$1,000 | \$1,000 | \$12,000 |
| Insurance | \$300 | \$300 | \$300 | \$300 | \$3,600 |
| Rent | \$1,500 | \$1,500 | \$1,500 | \$1,500 | \$18,000 |
| Payroll Tax | \$1,680 | \$1,680 | \$3,815 | \$3,815 | \$27,265 |
| Other | \$0 | \$100 | \$200 | \$300 | \$1,000 |
| Total | \$30,480 | \$30,580 | \$48,065 | \$48,165 | \$424,615 |

Estimate Payroll

| Personnel Plan | Jan | Nov | Dec | Year 1 | Year 2 |
|----------------------|-----------------|-----------------|-----------------|------------------|------------------|
| Partners | \$12,000 | \$12,000 | \$12,000 | \$144,000 | \$175,000 |
| Consultants | \$0 | \$0 | \$0 | \$0 | \$50,000 |
| Editorial/graphic | \$0 | \$6,000 | \$6,000 | \$18,000 | \$22,000 |
| VP Marketing | \$0 | \$5,000 | \$5,000 | \$20,000 | \$50,000 |
| Sales people | \$0 | \$0 | \$0 | \$0 | \$30,000 |
| Office Manager | \$0 | \$2,500 | \$2,500 | \$7,500 | \$30,000 |
| Secretarial | \$0 | \$1,750 | \$1,750 | \$5,250 | \$20,000 |
| Other | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total People | 3 | 7 | 7 | 7 | 14 |
| Total Payroll | \$12,000 | \$27,250 | \$27,250 | \$194,750 | \$377,000 |

Startup Plan

| Start-up Plan | |
|--------------------------------|-----------------|
| Requirements | |
| Start-up Expenses | |
| Legal | \$1,000 |
| Stationery, etc. | \$3,000 |
| Brochures | \$5,000 |
| Consultants | \$5,000 |
| Insurance | \$350 |
| Expensed Computer Equipment | \$3,000 |
| Other | \$1,000 |
| Total Start-up Expenses | \$18,350 |
| Start-up Assets | |
| Cash Required | \$25,000 |
| Other Current Assets | \$7,000 |
| Long-term Assets | \$0 |
| Total Assets | \$32,000 |
| Total Requirements | \$50,350 |



Cash Flow Calculator

Cash Flow is Critical, but not Intuitive. Profits are not Cash.

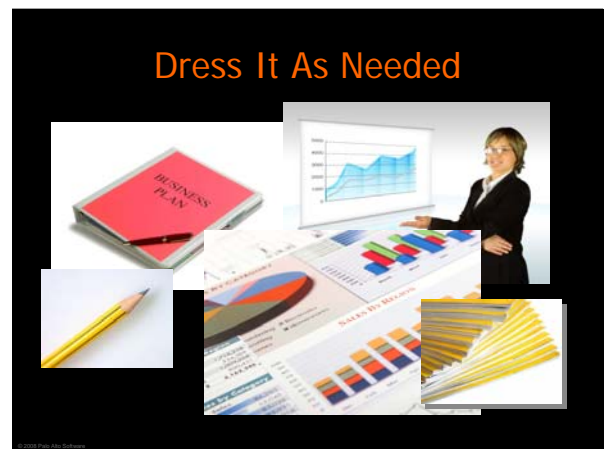
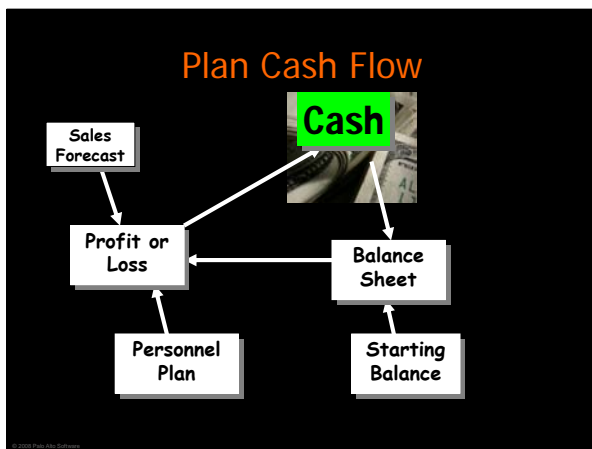
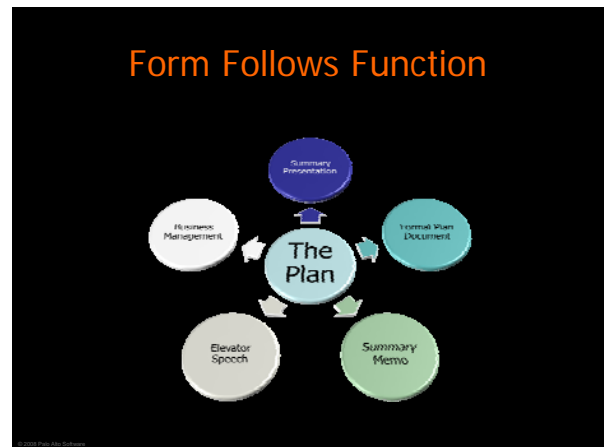
This is critical to your business!
Amazing fact: many business failures are profitable when they go under. This cash calculator shows you how business-to-business sales, seasonal revenues, and rapid growth can affect a business' money. Change the variables below and watch their impact on real business cash flow.

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The Formal Plan



The Formal Plan Document



The Summary Memo



Heart – Core – Strategy – Elevator Speech



The Pitch Presentation



Plan vs. Actual

| | | Jan | | | Feb | | | Mar | | |
|-------------------------|----------|----------|--------------------|----------|----------|---------|--|-----|--|--|
| Unit Sales | | | | | | | | | | |
| Meals | 220 | 1,053 | 33 | (140) | (55) | | | | | |
| Drinks | 390 | 527 | (111) | (112) | 138 | | | | | |
| Other | 70 | 30 | 47 | 36 | 101 | | | | | |
| Total Unit Sales | | | | (31) | (216) | 184 | | | | |
| Unit Price | | | | | | | | | | |
| Meals | 412 | | \$3.96 | \$2.85 | \$4.84 | | | | | |
| Drinks | 279 | | \$0.45 | \$0.63 | \$0.51 | | | | | |
| Other | 67 | | (\$2.51) | (\$1.59) | (\$0.89) | | | | | |
| Total Unit Price | | | | | | | | | | |
| Meals | 1,158 | | | | | | | | | |
| Sales | | | | | | | | | | |
| Meals | Unit Pri | Jan | Meals | \$3,711 | \$502 | \$6,193 | | | | |
| Drinks | \$18.96 | | Drinks | (\$96) | \$37 | \$730 | | | | |
| Other | \$2.45 | | Other | \$302 | \$271 | \$902 | | | | |
| Other | \$7.49 | | Total Sales | \$3,916 | \$810 | \$7,826 | | | | |
| Total Sales | | | | | | | | | | |
| Meals | \$15,396 | \$16,297 | \$28,768 | | | | | | | |
| Drinks | \$684 | \$1,091 | \$2,236 | | | | | | | |
| Other | \$502 | \$471 | \$1,102 | | | | | | | |
| Total Sales | \$16,581 | \$17,859 | \$32,107 | | | | | | | |



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BACK TO THE FUNDAMENTALS

My Blogs

Planning Startups Stories
Tim Berry on business planning, starting and growing your business, and having a life in the meantime
<http://blog.timberly.com>

Up and Running:
Energize your business with growth in mind
By Tim Berry
<http://upandrunning.entrepreneur.com>

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