

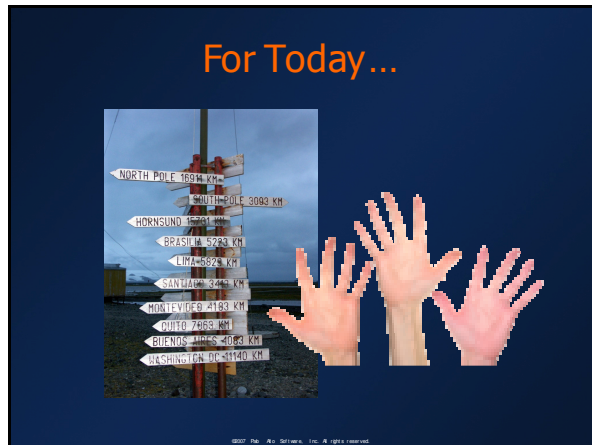
The Plan-as-you-go Business Plan

February 7, 2008
Clackamas SBDC
Tim Berry

Palo Alto Software

Bplans.com

Mplans.com



For Today...

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Download the Handout

www.timberly.com/presentations

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Who is this guy?



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PaloAltoSoftware

Interview

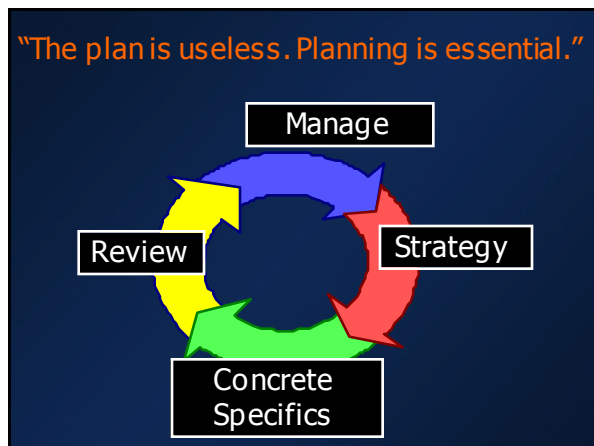


blog.guykawasaki.com/2007/07/how-to-write-a-.html

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Planning, Mapping, Management



Form Follows Function



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Separates Plan from Background




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Start Simple. Build Blocks



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Assumes Rapid Change



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Planning Process = Accountability



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Builds Accountability



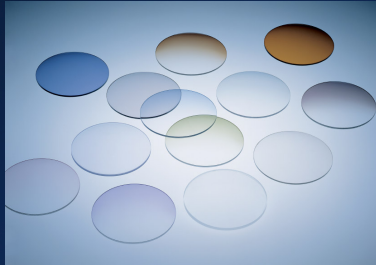
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The Plan-As-You-Go Business Plan
ESSENTIALS

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Strategy is Focus



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Flesh & Bones of the Plan

- Assumptions
- Review schedule
- Metrics
- Who does what
- When
- How much



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Separates Plan from Background



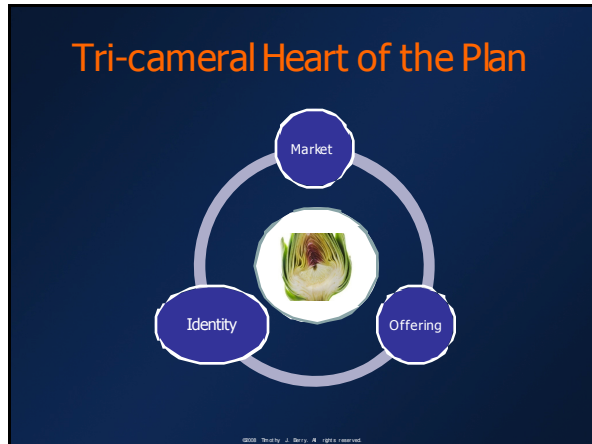
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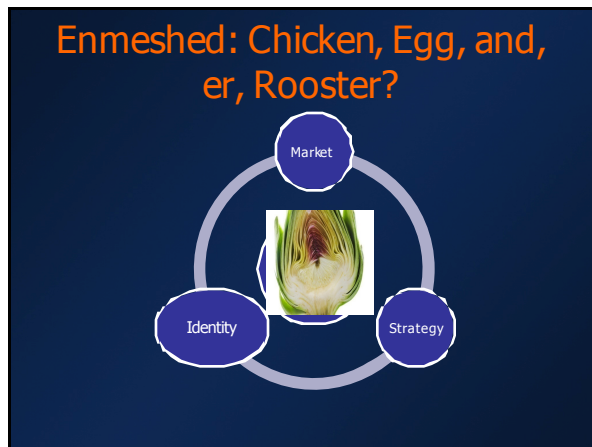


The Plan-As-You-Go Business Plan

THE HEART OF THE PLAN


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Your Business Identity



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Study the Mirror

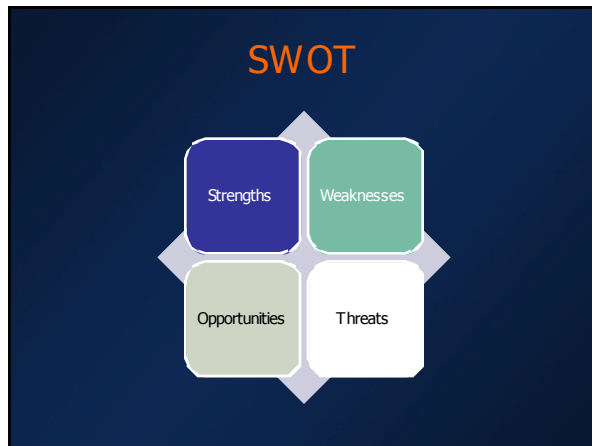


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Core Competence



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Understand Needs & Wants



Count, Cut, Divide into Segments



Needs and Wants



How Many, Who, Where



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Psychographic Segmentation



Your Business Offering



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A Market Need



Don't Kid Yourself



Solve the Need; Meet the Wants



Price Matters



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Strategy is Focus



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Build Competitive Advantage



Your Specific Keys to Success



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Divide & Conquer



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Knobs You Can Turn



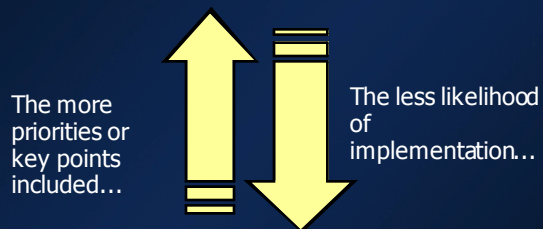
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Understand Displacement



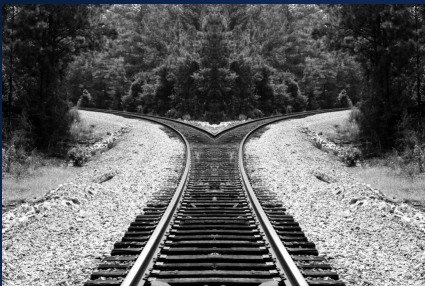
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Strategy is Focus



Focus

Tough Decisions



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The Plan-As-You-Go Business Plan

FLESH AND BONES OF THE PLAN

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Do the Review Schedule First



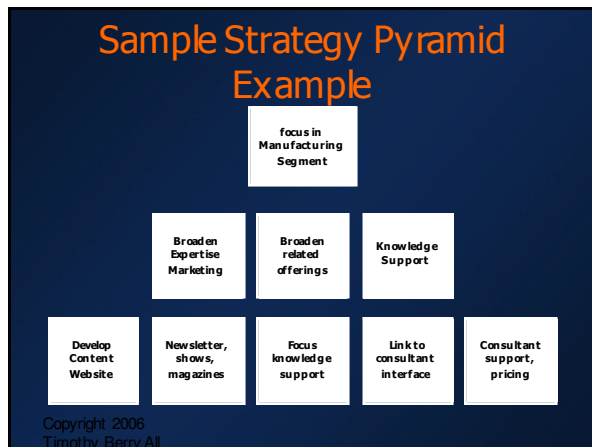
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Identify Important Assumptions



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Match Tasks to Owners



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Stay Specific

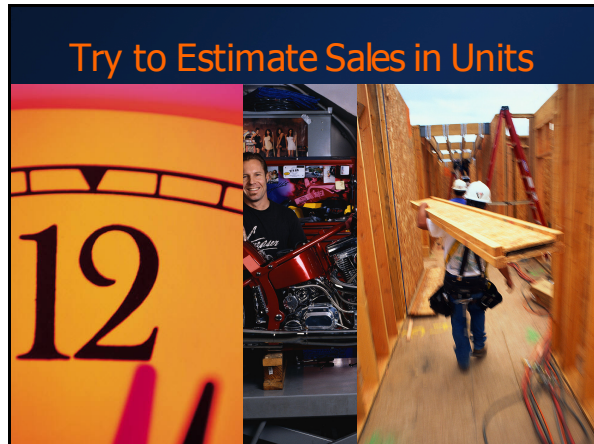
Milestone	Start Date	End Date	Budget	Manager	Department
Corporate Identity	12/1/2006	12/17/2006	\$10,000	TJ	Marketing
Seminar implementation	1/1/2007	1/10/2007	\$1,000	IR	Sales
Business Plan Review	1/2/2007	1/11/2007	\$0	PJ	GM
Upgrade mailer	1/2/2007	1/17/2007	\$5,000	IR	Sales
New corporate brochure	1/2/2007	1/17/2007	\$5,000	TJ	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	PJ	GM
X4 Prototype	2/1/2007	2/25/2007	\$2,500	SG	Product
Service revamp	2/1/2007	2/25/2007	\$2,500	SD	Product
9 Presentations	2/2/2007	2/25/2007	\$0	IR	Sales
X4 Testing	3/1/2007	3/6/2007	\$1,000	SG	Product
3 Accounts	3/1/2007	3/17/2007	\$0	SD	Sales
LSU Prototype	3/1/2007	3/26/2007	\$2,500	PR	Product
TechExpo	4/1/2007	4/12/2007	\$15,000	TJ	Marketing
VP S&M hired	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		

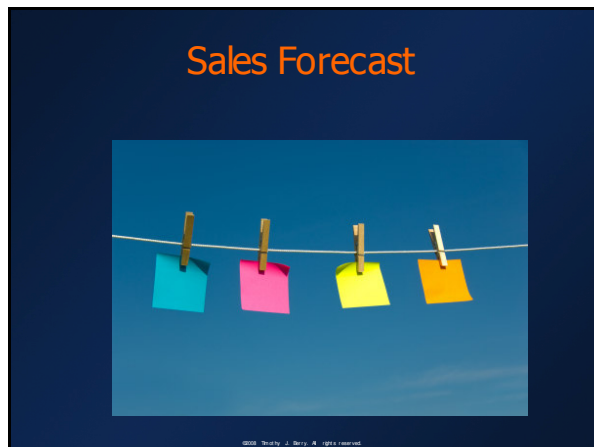
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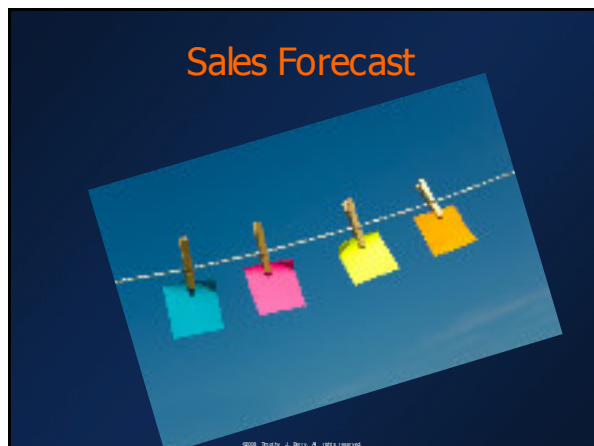
More Art than Science

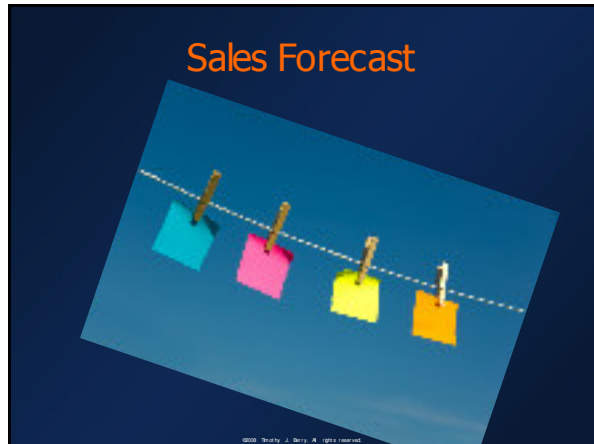


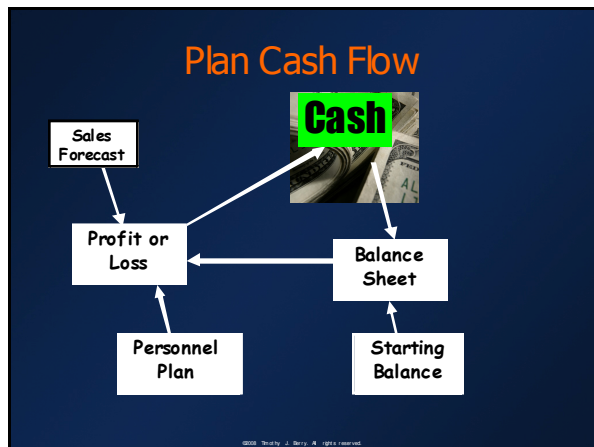

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Cash Flow Calculator

Is it possible for a profitable business to run out of cash?
YES
 Because of inventory expenses for a product business as well as the potential for it to take up to 120 days to collect on invoices, a profitable business can go bankrupt, as seen in the model here. Change the variables below to see how your business is effected by these variables.

Profits v. Cash (Bar chart showing Cash Flow and Cash Balance over 12 months)

Notes: Double-click to type your entries into the boxes below. Use your mouse to adjust the sliders.

Starting Cash: \$35,000	Profitability (% of Sales): 7.00%
First Month's Sales: \$200,000	Initial Inventory Expense: \$5,000
Cost of Goods Sold (% of Sales): 14.00%	Weeks of Inventory Kept on Hand: 1
Monthly Sales Growth: 2.00%	Starting Receivables: \$400,000
Sales on Credit: 100.00%	Starting Payables: \$100,000
Collection Days: 60	Depreciation (% of Sales): 1.00%

www.kplans.com

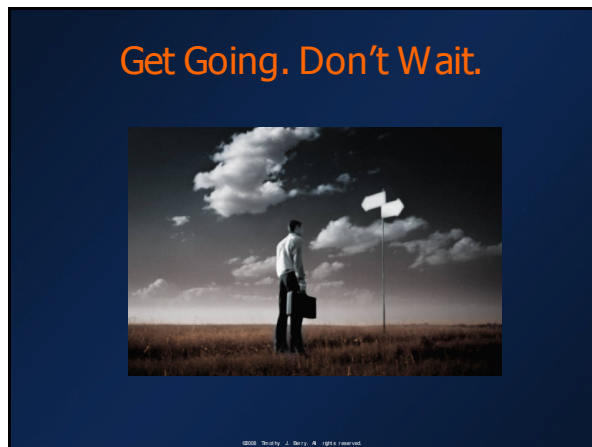


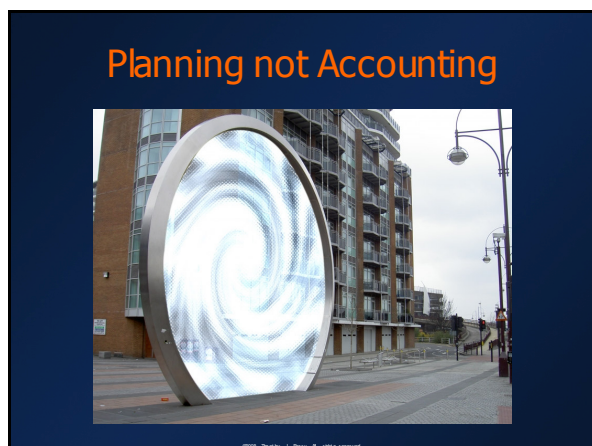


Managing the Plan

		Jan	Feb	Mar
Unit Sales				
Meals	779	33	(140)	(55)
Drinks	390	(111)	(112)	138
Other	0	47	36	101
Total Unit Sales		(31)	(216)	184
Unit Price				
Meals	812	\$3.96	\$2.85	\$4.84
Drinks	279	\$0.45	\$0.63	\$0.51
Other	0	(\$2.51)	(\$1.59)	(\$0.89)
Total Unit Sales	1,158			
Sales				
Meals		\$3,711	\$502	\$6,193
Drinks		(\$96)	\$37	\$730
Other		\$302	\$271	\$902
Total Sales		\$3,916	\$810	\$7,826
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	

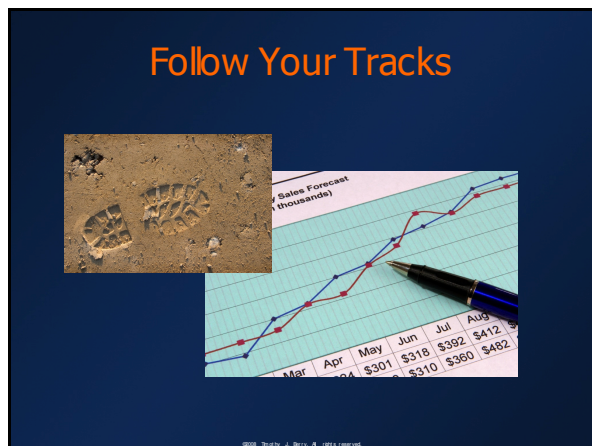




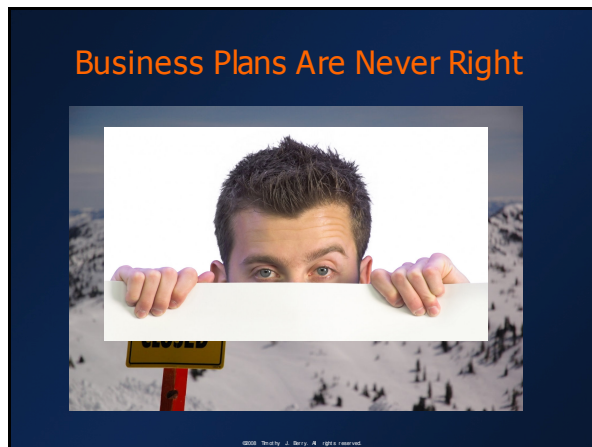














A Good Business Plan is Never Done



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The Plan-As-You-Go Business Plan

**RESOURCES, Q&A,
DISCUSSION**

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My Blogs



Planning Startups Stories

Tim Berry on business planning, starting and growing your business, and having a life in the meantime

<http://blog.timberry.com>



Up and Running

Steering your business with growth in mind

By Tim Berry

<http://upandrunning.entrepreneur.com>

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Related Websites

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