


**SCORE**  
Counselors to America's Small Business

**PaloAltoSoftware**

## Planning Your Business

**"The plan is useless. But the planning is essential."**



Business Success Seminar

## My Email

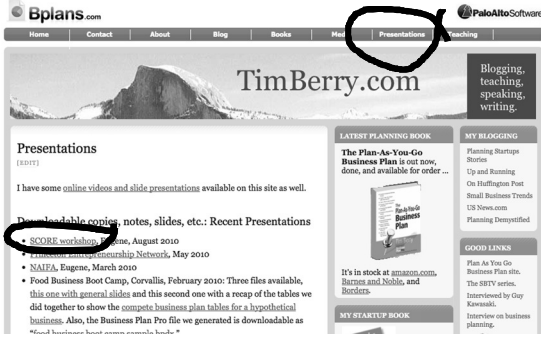
**tberry@paloalto.com**

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**TimBerry.com**

Blogging, teaching, speaking, writing.

**Presentations**

I have some online videos and slide presentations available on this site as well.

Downloadable copies, notes, slides, etc.: Recent Presentations

- SCORE workshops, June, August 2010
- Entrepreneurship Network, May 2010
- NAIFA Engine, March 2010
- Food Business Boot Camp, Corvallis, February 2010: Three files available, this one with general slides and this second one with a recap of the tables we did together to show the complete business plan tables for a hypothetical business. Also, the Business Plan Pro file we generated is downloadable as "Meal & Beverage Booth success example book".

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## Related Websites

- **www.paloalto.com**
- **www.bplans.com**
- **timberry.com**
- **Planasyougo.com**

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**http://planasyougo.com**



**Plan-As-You-Go Business Planning**  
By Tim Berry

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**Attitude Adjustment (Presentation)**

This is a brief (six minute) slide presentation summarizing the key points in Chapter 2, "Attitude Adjustment".

**Business Plans Are Always Wrong...**

AVAILABLE NOW!

The book is now in stock for online ordering at amazon.com, BarnesandNoble.com, and Borders.com.

It should be available now on any store in your Barnes & Noble stores and all other stores, but please call first to make sure.

WEBSITE NOTE

The website includes an advanced draft, but not the same final proofread version in the finished book available in stores.

SEARCH KEYWORDS

CATEGORIES

SCORE PaloAltoSoftware

## My Blogs



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

<http://timberry.bplans.com>



**Up and Running:**  
Slenting your business with growth in mind

By Tim Berry

<http://upandrunning.entrepreneur.com>

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## 2. Form Follows Function



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## Important Quotation

**"The plan is useless, but planning is essential"**

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## Not the Old Standby

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



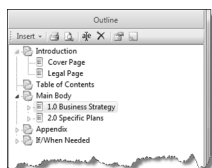
## 5 Planning Fundamentals

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

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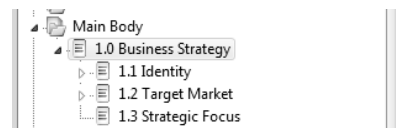
## Do Only What You Need



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## The Heart of the Plan



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## Heart of the Plan Slides

- **Your Business Identity**
  - Study the Mirror
  - Core Competence
  - Your Specific Keys to Success

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## Important Quotation

**"I don't know the secret to success; but I do know that the secret to failure is trying to please everybody"**

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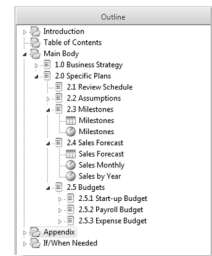
## SWOT



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## Action Plan: What? When?



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## More Heart of the Plan Slides

- **Market Who and Why**
  - Profile Your Ideal Customer
  - Tell the Story
  - Target Needs and Wants
  - Divide & Conquer
- **Strategy is Focus**
  - Strategy Is Tailored
  - Tough Decisions
  - Understand Displacement
  - Knobs You Can Turn

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## Flesh and Bones Slides

- **Do the Review Schedule First**
- **Identify Important Assumptions**
- **Develop Metrics**
- **Match Tasks to Owners**

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## Milestones Make a Plan Real

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	JR	Sales
Business Plan Review	1/2/2007	1/11/2007	\$0	SC	GM
Upgrade mailer	1/2/2007	1/17/2007	\$5,000	JR	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	JR	Marketing
Advertising	2/2/2007	2/17/2007	\$15,000	JR	GM
X4 Prototype	2/1/2007	2/25/2007	\$2,500	SC	Product
Service revamp	2/1/2007	2/25/2007	\$2,500	SD	Product
6 Presentations	2/2/2007	2/26/2007	\$0	JR	Sales
X4 Testing	2/1/2007	2/16/2007	\$1,000	JR	Product
2 Accounts	2/1/2007	2/17/2007	\$0	SC	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
VP CRM hired	6/1/2007	6/11/2007	\$1,000	JR	Sales
Mailing System	7/1/2007	7/25/2007	\$5,000	SD	Service
<b>Totals</b>			<b>\$181,500</b>		

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## 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
<b>Total People</b>	3	7	7	7	14
<b>Total Payroll</b>	<b>\$12,000</b>	<b>\$27,250</b>	<b>\$27,250</b>	<b>\$194,750</b>	<b>\$377,000</b>

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## Sample Sales Forecast

	Oct	Nov	Dec	2009	2010	2011
<b>Unit Sales</b>						
19 Widgets	265	197	295	2,637	3,428	4,455
20 Whatsets	330	374	370	5,274	7,384	10,337
21 Other	0	0	0	473	330	572
<b>Total Unit Sales</b>	<b>795</b>	<b>571</b>	<b>665</b>	<b>8,384</b>	<b>11,332</b>	<b>15,364</b>
<b>Unit Prices</b>						
25 Widgets	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00
26 Whatsets	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00
27 Other	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
<b>Sales</b>						
30 Widgets	\$6,625	\$4,675	\$7,125	\$65,922	\$85,958	\$111,468
31 Whatsets	\$26,500	\$18,700	\$28,500	\$263,700	\$389,180	\$516,852
32 Other	\$0	\$0	\$0	\$4,730	\$3,300	\$5,724
<b>Total Sales</b>	<b>\$33,125</b>	<b>\$23,375</b>	<b>\$35,625</b>	<b>\$334,352</b>	<b>\$460,061</b>	<b>\$633,989</b>
<b>Direct Unit Costs</b>						
36 Widgets	\$6.25	\$6.25	\$6.25	\$6.25	\$6.25	\$6.25
37 Whatsets	\$17.50	\$17.50	\$17.50	\$17.50	\$17.50	\$17.50
38 Other	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00
<b>Direct Cost of Sales</b>						
41 Widgets	\$1,656	\$1,169	\$1,781	\$16,480	\$21,425	\$27,852
42 Whatsets	\$9,275	\$6,545	\$9,975	\$92,295	\$129,213	\$180,898
43 Other	\$0	\$0	\$0	\$1,852	\$1,300	\$2,288
<b>Subtotal Direct Cost of Sales</b>	<b>\$10,931</b>	<b>\$7,714</b>	<b>\$11,756</b>	<b>\$110,627</b>	<b>\$152,719</b>	<b>\$211,038</b>

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## Startup Plan

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

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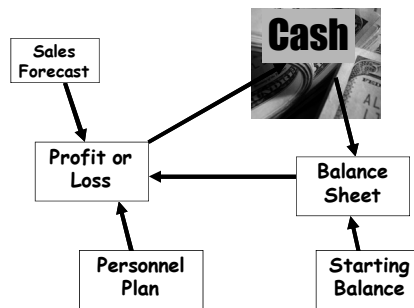
## Expense Budget

	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	\$27,285
Other	\$0	\$100	\$200	\$300	\$1,000
<b>Total</b>	<b>\$30,480</b>	<b>\$30,580</b>	<b>\$48,065</b>	<b>\$48,165</b>	<b>\$424,615</b>

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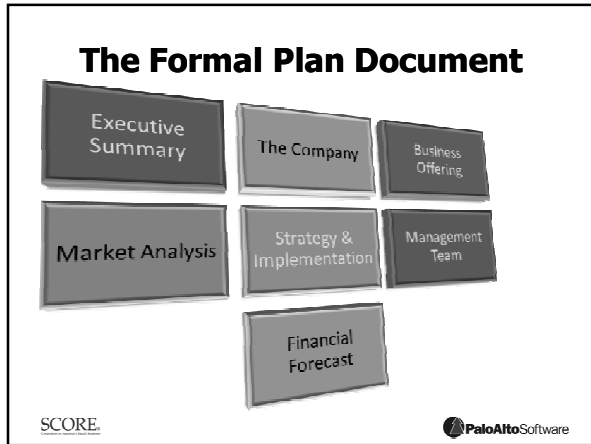
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## Plan Cash Flow



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### Plan vs. Actual

		Jan			Feb			Mar		
<b>Unit Sales</b>		770	1,053	33	(140)	(55)				
Meals										
Drinks		390	527	(111)	(112)	138				
Other		70	527	47	36	101				
<b>Total Unit</b>					(31)	(216)	184			
<b>Unit Price</b>		Jan			Feb			Mar		
Meals		812		\$3.96	\$2.85	\$4.84				
Drinks		279		\$0.45	\$0.63	\$0.51				
Other		87		(\$2.51)	(\$1.59)	(\$0.89)				
<b>Sales</b>										
Meals		1,158		\$3,711	\$502	\$6,193				
Drinks				(\$96)	\$37	\$730				
Other				\$302	\$271	\$902				
<b>Total Sales</b>				\$3,916	\$810	\$7,826				
<b>Sales</b>										
Meals		\$15,396	\$16,297	\$28,768						
Drinks		\$684	\$1,091	\$2,236						
Other		\$502	\$471	\$1,102						
<b>Total Sales</b>		\$16,581	\$17,859	\$32,107						

SCORE and PaloAltoSoftware logos are visible at the bottom of the table.

- ### Final Points
- 1. Business plans are always wrong...**
  - 2. ... but vital.**
  - 3. A business plan is never finished.**
- SCORE and PaloAltoSoftware logos are visible at the bottom of the list.