



Developing a Business Plan

Purpose

Developing a business plan is one of the most important steps when establishing a business. It provides a description and analysis of the business, including a view of the short- and long-term goals. It generally projects 3-5 years ahead and outlines the route a business intends to take to reach yearly milestones and revenue projections. A business plan may range in size depending on the needs of the business.

A business plan serves several functions, including:

1. To clarify, focus, and research a business' development.
2. Provide a framework and allocation of energy, time, and finances for business development.
3. Position a business for success through early identification of obstacles and opportunities to move the business in the correct direction.
4. Aid entrepreneurs in succinctly communicating their vision to potential investors.
5. Aid in attracting new business, attracting key employees, or negotiations with suppliers.
6. Provide a benchmark for performance measurement and quality improvement.

Components

The following are general components which may be included in a formal business plan. Each business is unique and the business plan should be adapted as required. As you begin planning your business, consult with professionals who may serve as resources, such as a coder/biller, local attorney, accountant, insurance provider, or practice management consultant.

1. Title Page
 - a. Business details
 - i. Name
 - ii. Logo
 - iii. Address
 - iv. Contact information
 - v. Website
2. Nondisclosure statement
 - a. Inform the reader to keep content confidential.
3. Table of Contents
 - a. Outline plan sections and page numbers.
4. Executive Summary
 - a. Write this section last.
 - b. Present concise highlights of the overall plan.
 - c. After reading the executive summary, the reader should have a basic understanding of your business and want to learn more.
5. Strategic Overview
 - a. Business description
 - b. Business history
 - i. When and why the business was started?
 - ii. How business has evolved?

- c. Vision and mission statements
- d. Strengths, weaknesses, opportunities, and threats (SWOT analysis)
- e. Major long term objectives and goals within a specified timeframe (SMART objectives)
- 6. Service / Product Offerings
 - a. Description of the products and services your business is offering
 - b. What makes your products/services unique?
 - c. What is your competitive advantage?
- 7. Present status (if applicable)
 - a. Achievements and performance to date
- 8. Market Research
 - a. Who is your target market?
 - b. Define your customer base (e.g., ambulatory surgical centers, office-based practice, etc.)
 - c. Define market size
 - d. Define competition
- 9. Marketing Strategy
 - a. Advertising and marketing plan.
 - i. How will you target customers to sell your products/services?
 - b. Are there unmet customer needs, which your business can fill and profit from?
 - c. What changes may be taking place in the market? Will these changes impact your business?
 - d. How will you deal with competitors?
 - e. Pricing strategy
- 10. Management and Operations
 - a. Define ownership, management team, and legal structure
 - b. Indicate overhead costs
 - c. Hiring and personnel policies
 - d. Insurance coverage
 - e. Delivery of products/services
- 11. Financial Management
 - a. Present financial statements and forecasts for the business
 - i. Projected cash-flow for the first year
 - ii. Projected balance sheet and income statement
 - iii. Break-even point
 - iv. If applicable, a detailed financial analysis may go into the appendix
 - b. Describe methods for accounting records and procedures.
 - c. Define funding requirements and potential funding sources.
 - d. Project a return on investment for investors.
- 12. Implementation
 - a. Describe decision points, timeframes, and actions required for business implementation.
- 13. Conclusion
 - a. Highlight how your business will succeed and why it should be supported.
- 14. Appendix
(The appendix may be provided on an individual or as-need basis as this information may be more confidential.)
 - a. Resumes of key management
 - b. Letters of references



- c. Details of market studies
- d. Details of financial statements
- e. Relevant publications
- f. Relevant licenses or legal documents
- g. Business consultants, including attorney and accountant

Additional Suggestions

- Use clear, concise language. Minimize industry specific jargon.
- Used bulleted lists and break up long text into shorter paragraphs.
- If the business plan is being presented to a specific individual, create an individualized cover letter.
- If presenting to external shareholder (e.g., potential investors) compile the plan into a bound format.

Small Business Administration

The Small Business Administration has several resources to aid new businesses:

- [Free tool for developing a business plan](#). This tool contains several templates and spreadsheets to guide a business owner through a general financial analysis.

The SBA works with a number of local partners to counsel, mentor, and train small businesses.

- [Identify a local SBA district office and other resources in your area](#).

References

- American Psychological Association. [What to put in your business plan](#). Oct 2003.
- Burns-Millyard, K. [What Is the Importance & Purpose of a Business Plan?](#) *Chron*.
- Entrepreneur. [An Introduction to Business Plans](#).
- Hull, P. [10 Essential Business Plan Components](#). *Forbes*.
- Weber, R. [10 Best Reasons to Create a Business Plan](#). Sep 20, 2010.

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