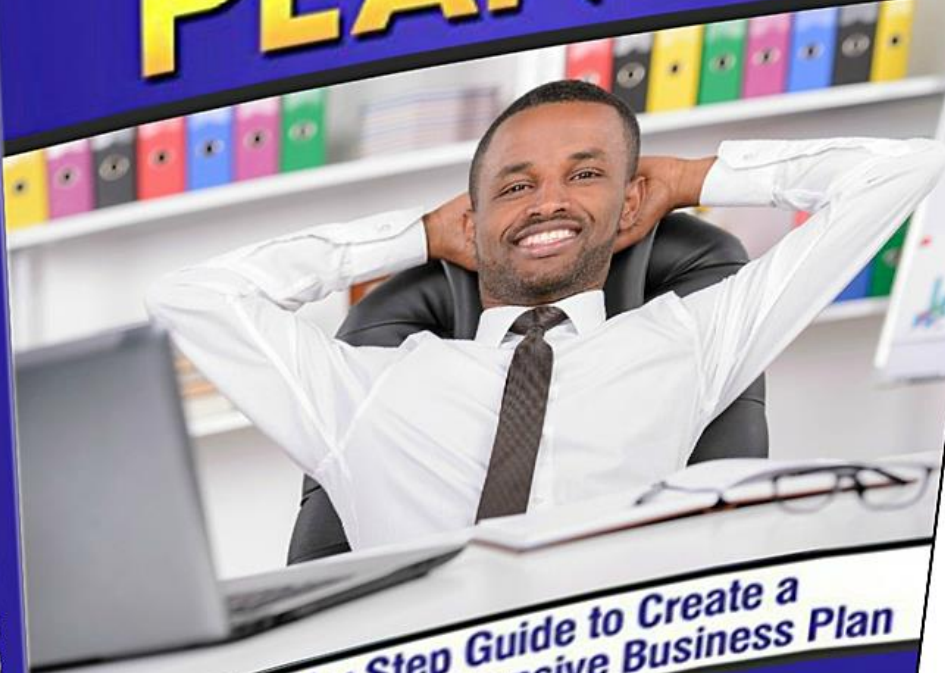


**HOW TO WRITE
A BUSINESS
PLAN**



**A Step by Step Guide to Create a
Complete & Comprehensive Business Plan**
Titus Mirieri

How To Write A Business Plan

How To Write A Business Plan

A Step by Step Guide to Create a Complete & Comprehensive Business Plan

Written By: Titus Mirieri

It's been your dream to open your own business. The idea of being your own boss, working your own hours, and doing what you want to do in life is a gift few people get to enjoy. After all, everyone has the perfect business in mind, but when it comes down to actually putting the business to work – things get confusing.

There are so many different aspects to building a business it's impossible to keep them all straight – unless you have a plan.

A brilliant business needs a brilliant business plan and this is the eBook to help you write one. It will take you step by step through the process to help you build a business plan quickly and easily and then use it to build your business.

This eBook introduces the basic concepts of business planning, shows you a swift and smart way to prepare a business plan and reveals how to use a business plan to run your business more effectively.

This eBook is ideal if you need a plan to show your bank manager, small investors and employees, or to use as a chart for steering your business. It contains:

- ❖ Step-by-step instructions on how to build your brilliant business plan from scratch.
- ❖ A range of model plans for very different businesses to show you brilliant business planning in action.
- ❖ Advice on what delights banks and investors, as well as what not to do.

And much more...

About The Writer

Dear friend, brother, sister, father or mother, This is Mr. Titus Mirieri, a father to two. I'm a businessman and i love entrepreneurship so much.

After spending almost all my adult life in the business world, I can't stop being ANGRY that I live in a generation where school brainwashes everyone about job.

Apart from being a businessman, i have a mission in my life. To train one million Kenyans how to be successful business owners. I think it is STUPID of us as adults, at this terrible time, to continue teaching our children and youths how to be employees.

My goal is to liberate Kenyans from poverty. But i alone cannot do it. I need you to be part of this vision.

I started my first business before i was 15. If You Want to Learn My Secrets then read this eBook and more of my business training ebooks and i will see you at the top.



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Chapter 1

Introduction

Whoever said you don't need a formal business plan to start or expand your business was certainly not addressing those who need funds from creditors and investors.

Like many successful businesses have done, you can launch your business idea without the benefit of a formal business plan—but this applies only if you have all the funds you need or you are just testing the business waters to see how it turns out.

Why You Need a Business Plan for your Small Business

Writing your business plan is not the end of your business planning process because business planning is a never ending process. However, it's an important intermediate stage (*failing to plan can mean planning to fail*).

If you are just starting a business, having a well-written business plan shows that you have really done your homework. And if you are planning to expand an already established business, it demonstrates that you have carefully considered the pros, cons and odds; and focused on the development of the business.

If you are risking your capital, time, resources and effort to start a business; then you certainly need a business plan to help you mitigate against the risk involved. If you are already a business owner but you started out without a business plan, then you definitely need to invest in getting a business plan; especially if you want to take your business to the next level.

If you would need to obtain financing from third parties either now or in future, then a business plan is indispensable, as it sells your idea and elucidates the opportunities it presents. It arranges strategic alliances, attracts key employees, boosts your confidence, and helps you remain focused. From the table of contents to the financial tables, a business plan covers a lot of ground.

A formal business plan is just as important for an established business, whether small or big, as it is for a startup. And it serves the following critical purposes:

- It helps you clarify, focus, and research the prospects of your proposed startup or expansion idea.
- It provides a considered and logical framework within which your business can develop and pursue business strategies over the next few years.
- It offers a benchmark against which you can measure and review the actual performance of your business.
- It serves as the basis for discussion with third parties such as creditors, investors, shareholders, agencies, etc. (*This, of course, is the main reason why we are discussing business plan writing in this eBook*).

Just as no two businesses are alike, so also are business plans; some aspects of a plan will be more relevant to some businesses than to others. So, it is very important to tailor the contents of a business plan to suit individual circumstances. Nonetheless, most business plans follow a well-trying and tested structure, and general advice on preparing a business plan is universally applicable.

However, your business plan should be a realistic view of your expectations and long-term objectives for your startup or small business. It provides the framework within which it must operate and, ultimately, succeed or fail.

For you and other entrepreneurs seeking third-party support, the business plan is the most important sales document that you will need to raise finance for your startup or small business. Although preparing a solid, comprehensive business plan will not guarantee success in raising funds or mobilizing support for your business, lacking one will always result in failure.

The Importance of Strategic Business Planning

Writing a business plan is no doubt a hard task. But it's very essential, and it comes with lots of long-term benefits. The planning process forces you to understand more clearly what you want to achieve as well as how and when to take each step towards achieving it.

Even if you don't need financial support from third-parties, a business plan can play a vital role on helping you avoid mistakes or recognize hidden opportunities and challenges. Of course, it is much easier to fold a sheet of paper than it is to fold a business.

Now how can you make your executive summary stand out? What are the most important details to include in the different sections of your plan? How do you present financial projections? You will get answers to these and other questions in this chapter.

Why I Wrote this Business Plan eBook

Over the years, I have met different individuals with brilliant business ideas roughly sketched on paper. But when I asked these individuals of their business plan, the usual reply I get is this:

- *I don't know how to write a business plan*
- *I don't have time to write a business plan now, maybe some other time*
- *I don't have money to hire a business consultant to write a plan for me*

If you have ever bore any of the thoughts above in your mind, then you are the reason I wrote this eBook. I want to take the stress of writing a business plan away from you and most importantly, I want to teach you how to write your own personal business plan without hiring anyone. This is the sole reason why I wrote this eBook.

Yes, the reason I called it a personal business plan is because a business plan should be personal. A business plan should not just be a file or document, it should be your dream in written form. In fact, I advocate that you write your business plan yourself; so that it will be engraved in your heart.

My Business Plan is Me

Now using myself as an instance, if you wake me up in the dead of the night, or you happen to run into me in a restaurant or fast food outlet and you ask me about my business; I will tell you everything you need to know about it. In fact, I don't need to look into a book or tablet

to do a business plan presentation to investors or lenders; I will just talk off-hand without memorizing or rehearsing anything. Why?

The reason is because I wrote the business plan myself. Yea, I may work with an accountant or attorney to get the technical facts I need but the bulk work will be done by me. This is the level I want you to aspire to, especially if you are just starting your first business.

Who I Wrote this Business Plan eBook for

I wrote this eBook for three set of individuals:

- Entrepreneurs who are just starting out in business and want to write their own business plan
- Established business owners who want to expand their businesses and need a business plan
- Those seeking funds (*grants, loans or equity*) to finance their business project

7 Tools You Need to Write a Business Plan

To ensure a smooth writing and planning process, there are certain tools you need. Example of these tools are:

1. A Pen
2. A book
3. A laptop or desktop computer or tablet
4. Microsoft Excel spreadsheet
5. Electronic calculator
6. Pre-made business plan templates
7. A business plan software (optional)

TABLE OF CONTENT

The actual complete structure of your business plan will look like the following:

- Cover Letter
- Title Page
- Table of Contents
- Executive Summary
- Company Profile
- Industry Research
- Sales and Marketing
- Operations
- Financials

Now, let's go into real business...

The cover letter, title page, table of contents, and executive summary make up the opening section of your business plan. This section is the last thing you will work on, but it is the first thing anyone looking at your business plan will see. And because it can make or mar your fund-raising quest, it is very important to use it to create a good first impression in the reader's mind. Now, let's discuss each component of the opening section in more detail, giving tips on how best to craft each.

The Business Plan Cover Letter

The cover letter serves the same purpose as it does when you submit one along with a resume as a job candidate; it introduces your business plan to the reader. Because your goal is to market your idea to prospective investors, creditors, partners, employees, and other stakeholders, all the parts of your plan must appeal to the reader. Here are the elements that you need to include in the cover letter:

- Address of recipient
- Date
- Your address
- Salutation (*you must include a specific name as in, "Dear Mr James."*)
- Body (*state clearly that you are submitting a business plan for your business, which you can describe in one sentence; state clearly that you are seeking financial support for your business idea. Tell the reader what to expect in the following pages, and express your eagerness to hear back from them. Don't forget to add your contact details*)

- Appreciation
- Signature

The Business Plan Title Page

Remember, you will never get a second chance to make a first impression. So, you certainly don't want to overdo this aspect. Since nobody will blame you for simplicity, stick with that option; which means you should avoid bright or contrasting colors and unnecessary fancy borders. The following are what to include on your title page:

- Your business logo (*if you have one*)
- The name of your business
- Founder's name
- The words "Business Plan"
- Date

7 Success Keys to Planning a Business That Wins

Many people only dream of building a business empire; others dare the consequences and take the leap into the business world. Statistics reveals that 90% of all businesses started fail in their first five years. Of these failed businesses, 80% were failures right from day one. They fail even before launching because the business was poorly planned. This reminds me of a quote from my mentor:

"A successful business is created before there is a business." – Rich Dad

For your business to be successful, it has to be strategically planned correctly from the very scratch. It's just like building a house; you must first plan the structural design before ever embarking on laying the foundation. The same is applicable to starting a business. Below are seven steps to planning a business that wins:

I. Plan a business that can grow with or without you

The first step to planning a business that wins is to make sure the business is modeled to grow with or without you. This is actually where most new entrepreneurs miss it; they build a business around themselves. They start a business to run it themselves; they cherish the idea of being your own boss and doing things their own way.

But building a business with you as the sole proprietor is a poorly planned business and it will not stand the test of time. The point i am trying to emphasize is this; you must design a business that will not lean solely on your shoulders.

II. Create a business that will be driven by your vision

The next step is to plan a business that will be driven by your visions and aspirations. Today, i see businesses without future plans and visions. In the process of designing your business, you must set target milestones to achieve. You must set five year and ten year goals for your business.

But formulating a vision for your business is not as important as making sure that this business of yours is driven by the vision. Your employees, team and the entire system of your business must share in the pursuit of your visions.

III. Create a business that will be bounded by your core values

The third step is to design a business that will be bounded by your core values. Your core belief and values must be instilled on your business. I will drive home my point with the following examples; Sam Walton believed in taking care of his employees and he made it his company's core value. That's why Wal-Mart implements a profit sharing plan with its employees.

Debbi Fields, during her early start up years was reputed to dispose over \$500 worth of cookies because of its poor quality. Debbi has a reputation for insistence on quality even if it

means a reduction in profit margin. Quality was her core value and that's why her company's motto goes: "*Good enough never is.*"

Now that's for Debbi Fields and Sam Walton, what about you? Is your company bounded by your core belief and values? If yes, then make sure it is included in your business plan.

IV. Plan a business that will constantly increase its customer's value

Customers are insatiable and their wants are endless. So it's up to you to design your business in such a way that it will always on increase its customer's value. Your business must continuously strive to give the customers the best of service. Take a look at Apple Computers; they have grown an army of loyal customers because of their ability to satisfy their customers by constantly offering them technological innovation.

V. Create a business that will be led by a strong team

Another important key to business success is to plan your business to be powered by a strong team. One entrepreneurial rule of thumb is this; you must hire people smarter than you. If you are the smartest on your team, your business is doomed. Just take a look at how Microsoft Corporation has been driven forward by their management and team of computer wizards. If you take the pain to build a formidable business team, then your business will undergo positive leaps.

VI. Plan a business that will be a good corporate citizen

Most entrepreneurs don't put into consideration their corporate social responsibility when designing their business. But every good and successful entrepreneur put into consideration his society when designing his or her business. As an entrepreneur, you must factor in your community in your business plan and also figure out how your business will positively impact on the surrounding environment.

For instance; if you intend starting a mining business or any business that occasionally results to environmental degradation, then you must plan that business to also give back to the environment as a mark of being a good corporate citizen.

VII. Create a business that will help you achieve your primary aim

Be you an employee, entrepreneur, student or unemployed; we all have personal aspirations and goals. Just as our goals are different; so also are our paths to achieving them different. As an entrepreneur, you have to design your business to fall in line with your primary aim. You must factor in a way to use your business as a leverage to achieve some or all of your primary aim.

No matter what your primary aim is; you must find a way to leverage your business in pursuing that aim of yours. So when designing a business, make sure your personal aims and objectives are also considered.

In conclusion, i believe i have been able to pass an entrepreneurial lesson across. Always bear in mind that properly designing a business before starting it will reduce the likelihood of failure. As a final note, i leave you with this quote:

“A successful business is created before there is a business.” – Rich Dad

Chapter 2

Understanding The Difference between Feasibility Study and Business Plan

Is a feasibility report the same as a business plan? What's the difference between a feasibility study report and a business plan? Can a feasibility report be converted to a small business plan? Well, I will advice you read on to find the answers you seek.

Now there seem to be a mix up between feasibility study and business plan. While some say they are the same, others argue they are not. So I want to use this medium to draw a line between a feasibility report and a business plan. Though the process involved in developing a feasibility report and a business are similar, I will reveal to you some basic difference between conducting feasibility study and writing a business plan.

4 Differences between Conducting Feasibility Study and Writing a Business Plan

1. A feasibility study is carried out with the aim of finding out the workability and profitability of a business venture. Before anything is invested in a new business venture, a feasibility study is carried out to know if the business venture is worth the time, effort and resources.

On the other hand, a business plan is developed only after it has been established that a business opportunity exist and the venture is about to commence. This simply means that a business plan is prepared after a feasibility study has been conducted.

2. A feasibility report is filled with calculations, analysis and estimated projections of a business opportunity. While a business plan is made up of mostly tactics and strategies to be implemented in other to start and grow the business.

3. A feasibility study is all about business idea viability while a business plan deals with business growth plan and sustainability.

4. A feasibility study report reveals the profit potential of a business idea or opportunity to the entrepreneur, while a business plan helps the entrepreneur raise the needed startup capital from investors.

I hope this few words have been able to point out the key differences between feasibility study and business plan. I feel it's also worthwhile to know that a feasibility report can readily be converted to a business plan. To achieve this, all you need to do is incorporate your business strategies and tactics into the feasibility report; and you are good to go.

Chapter 3

Understanding the Difference Between a Business Plan and a Strategic Plan

What is the difference between a business plan and a strategic plan? Which of them is more important to a start-up company? Well, I advice you read on to find the answers you seek.

Although the two terms, Business plan and Strategic Plan, are used interchangeably most of the time, they are not the same and cannot therefore interchange each other. And the difference between both terms is one of those things you must understand as an entrepreneur, because you need to be sure that you are speaking the same professional language as others.

So in this chapter, you will understand the difference between a business plan and a strategic plan. This understanding will give you an idea of what constitutes each plan as well as its purpose.

What is a Strategic Plan?

The strategic plan is a document that outlines a business's vision, mission statement, goals and objectives over a specified time frame. It also describes how specific stakeholders in the business will contribute to the achievement of the set goals and objectives within the set time frame.

A strategic plan looks at the limited resources you have; such as *time, money, manpower, equipment, technology, facilities*, etc and evaluates them and outlines ways by which stakeholders in your business will utilize these limited resources to achieve the goals and objectives.

Lastly, a strategic plan is an internal document that should be used routinely as a guide for your employees to achieve success. Generally, a strategic plan is in the following format:

Basic Format of a Strategic Plan

- Vision statement
- Mission statement
- Goals
- Objectives
- Action plans
- Risk analysis and contingency plans
- Competitive analysis
- Financials

The above is the basic format, but this can vary depending on how each element is to be interpreted. For example, the mission statement can vary depending on the values of the business in regards to its stakeholders (*that is, employees, shareholders, board, customers, vendors, and so on*). The following are tips on how to develop a perfect strategic plan for your business

5 Tips for Developing a Perfect Strategic Plan for your Business

1. Know the difference between action plans and goals to avoid mistaking them for one another. Both terms are different.
2. Keep your financials consistent
3. Avoid listing as goals and objectives extraneous issues such as future or problem solving and decision making
4. Don't conduct a risk analysis without appropriate contingency planning
5. Involve third party facilitators to make the plan balanced and reasonable

Finally, keep in mind that a strategic plan is a flexible document. It can be changed whenever necessary.

What is a Business Plan?

The business plan is a statement about your business that demonstrates to outsiders what your business is all about; unlike the strategic plan, which is a roadmap for insiders. It follows a

distinct format that outlines your kind of business and what would likely become of your business in future. The basic format of a business plan is as follows:

Basic Format of a Business plan

- Cover page
- Table of contents
- Executive summary
- Company overview
- Market analysis
- Production and technology
- Sales and marketing
- Management
- Financials

The format can be modified depending on certain factors. For instance, the purpose of the plan could be to raise money for a project, to find a strategic partner, or to give confidence to lenders.

The audience is another factor that can change the format of a business plan. They could be *stakeholders, investors or lenders, potential key employees, or strategic partners*. Also, the format of the plan can change with respect to the maturity of the business. It could be a *start up, a growing business, a mature business, or a declining or distressed business*.

The business plan is the first thing that your audience will want to see if they are asked to invest in your company or vest their interest in it in some other way. The reader will judge your business based on the *clarity, simplicity, consistency, uniqueness, and completeness* of your business planning.

In short, your business plan tells the reader what you are doing, how you are doing it, where you are going, how you will get there, and if they are investors, how and when they will get paid back for their investment in the business. On a final note, from the explanations given above, the following deductions can be pulled out:

3 Outstanding Difference between a Strategic Plan and a Business Plan

- A strategic plan is used for implementing and managing the strategic direction of an existing business, but a business plan is used to start a new business.
- A business plan is used to catch the interest of investors or other potential stakeholders, but a strategic plan is used to prioritize available resources.
- A business plan assesses the viability of a business idea, but a strategic plan focuses on building a competitive advantage.

Chapter 4

The Basic Components of a Business Plan

What are the elements a business plan? What are the components of a business plan? What makes a business plan attractive to investors, bankers and VCs? Well, you are going to find out in this chapter.

From my experience as an entrepreneur and investor, I can confidently say that all business plans are not equal. Investors and VCs are so used to being pitched almost on daily basis; in fact, they have tons of business plans to look at every day but what most people don't know is that investors or VCs have limited time; hence they can decide if your business plan is worth it in less than five minutes.

Now what components and elements are VCs or investors looking to see in your business plan? What are the exact elements that hold their interest? I will share that with you.

Why these components are important in a business plan

The elements and components of a business plan are necessary tools or guide line which a good businessman should be equipped with before starting a business. A good business plan is a blueprint or a vision of the company. The elements and components of a business plan are also important so that regardless of the challenges and crises your business faces in the future; it will not falter or panic in the face of adversity. The elements and components of a business plan enable business partners to confidently adjust to the times as smoothly as possible even with the onslaught of competition and emerging new businesses and markets.

9 Elements and Components of a business plan

- **Executive Summary**

The executive summary gives the outline of the plan's key sections like your *company's mission and vision, brand profile, target markets, product and services, competition, marketing strategy and financial aspects*. A good executive summary is engaging and brief, with just the first two pages convincing the reader to read on the entire business plan. In fact, your executive summary is the predominant factor that determines if your business plan will be read or dumped in the trash bin.

- **Company Description**

The Company description provides *the profile of your company, its history, its drivers, what it does and how it operates*. It is the company's mission statement which is supposedly brief and direct to the point stating its purpose for business.

- **Target Market**

The target market section identifies in detail; *the customers of your company, the brands and the products*. This identification of target market will very much affect other operations in the company like marketing, manufacturing and the likes. It is important for market profiles to be specific because the success of the company will rely largely on how much this target market's needs are identified and met. At this point, it is very important that you answer the following questions:

- *Who are the customers of the company?*
- *What value does the company give to its customers?*
- *How does the company help its customers achieve such value?*

- **The Competition Situation**

Another important element of a good business plan is the competition analysis. To write a good business plan and successfully launch your startup, you must identify the competition of the business. This goes beyond the profiles of such competing companies and brands. It should also include their strengths and weaknesses.

This is where the need for a SWOT analysis comes into play. It is important to have a clear view of what the business is up against, so as not to be complacent. This section should be able to *identify primary and secondary competitions, the difference between their value propositions from your company's own value proposition, and the company's competitive advantages and disadvantages.*

- **Marketing Strategies**

Your Marketing strategy is another component of a business plan that addresses the five P's of marketing; which are: *product, price, person, place and promotion.* Your company may have a good product but without an effective marketing strategy, everything is futile. To develop a good marketing strategy and plan, you need to answer the following questions:

- *What are you selling?*
- *How much does it cost?*
- *What is the target market?*
- *How will the products be distributed?*
- *How will the target market know and be lured to the buy the products?*

- **Operations**

Yet another part of the elements and components of a business plan is the Operations segment, which describes the work flow of the business. It may not be detailed in the business plan but it should nonetheless have a structured view of the company's working process.

- **Management and Organizational Structure**

Management and organization identifies the organizational structure of your company including the key managers. This part is very important especially in terms of seeking capital because investors will be interested in the background of the company's management team and their corresponding salary scale.

- **Long-term Plans**

Long-term development is another critical component of a business plan. It shows in detail, the long term plans of your company by considering its future profits and growth. It provides a timetable for these plans as well as the sensitivity or risk factors. This part of the plan provides visual graphs of what the business will be like one, three, five or more years from now.

- **Financial Aspect**

Lastly, the elements and components of a business plan would not be complete without the financials. This part has a clear view of the financial projections of the company for the first few years of the business. This part includes income *statements*, *anticipated profits*, *cash flow analysis* and *break-even analysis*.

In conclusion, I want you to know that one of the underlying factor that makes a strong business plan is your “*being precise or specific*” with the details. Investors are busy people, so respect their time and hit the nail of the head but be sure you don't omit important details or information.

Chapter 5

Preparing Yourself for the Business Planning Process

Though, a business plan is a plan itself, your business plan needs some planning. Drafting a short strategic plan of about 2-3 pages can help you come up with a more detailed and comprehensive business plan. So, a strategic plan should be the foundation for your business plan.

Before you develop your strategic plan, you must clearly identify the status, objectives, and strategies of your business idea. This will be the basis for a critical examination to probe existing perceived strengths, weaknesses, opportunities, and threats.

Your strategic plan must cover the following issues:

- **Vision**

Developing a realistic vision for your business is the first step of the strategic planning process. This vision is a pen picture of your business in the next three or more years, in terms of its likely physical appearance, size, activities, etc.

- **Mission**

The mission is what reflects the nature of your business and indicates its purpose. An example of a business mission is:

“To develop, design, manufacture, and market specific products for sale on the basis of certain features to meet the identified needs of specified customer groups via certain distribution channels in particular geographic areas.”

A statement like this clearly indicates what the business is about, as against what obtains with a statement like, “*We are into electronics.*”

- **Objectives**

Another key element is to explicitly state your business’s objectives in terms of the results you expect it to achieve in the long term. Aside from presumably indicating a necessity to achieve regular profits, objectives should relate to the expectations and requirements of all the major stakeholders (*including employees*) and should reflect the underlying reasons for running the business.

- **Values**

You will also need to address the values governing the operation of your business and its conduct or relationships with the society, customers, employees, etc.

- **Strategies**

These are the guidelines for achieving the mission and objectives of your proposed idea. Strategies can either cover the whole business (*including matters such as diversification, organic growth, or acquisition plans*) or relate to primary matters in key functional areas, for example:

- *The company’s internal cash flow will fund all future growth.*
- *New products will progressively replace existing ones over the next 3 years.*
- *All assembly work will be contracted out to lower the company’s break-even point.*

- **Goals**

Goals are specific interim or ultimate time-based measurements that you hope to achieve by implementing strategies in pursuit of your business’s objectives. For example, “*To achieve sales of Ksh.50 million in three years time.*”

- **Programs**

These set out the plans for implementing your key strategies.

You must also bear in mind that all the aspects of your strategic plan must be inter-linked and consistent with each other. This will be very hard to achieve if your major objective is to make yourself wealthy.

Preparing to Write the Business Plan

Before you start any detailed work on writing a comprehensive business plan, you should do the following:

- Clearly define your target audience using as many specific parameters as possible.
- Determine the requirements of the plan in relation to the content and level of detail required.
- Write an outline for the plan (*table of contents*).
- Decide on the likely length of the plan.
- Highlight all the main issues to be addressed in the plan.

The outline is the road map for your business plan. Below is an outline of a typical business plan:

- Executive Summary
- Company Profile
- Industry Research
- Sales and Marketing
- Operations
- Financials

Chapter 6

Steps to Writing a Business Plan

You don't just write a business plan anyhow, there are laid down steps to follow so that your business plan will have a professional look and flow. This chapter will teach how to structure your business plan.

Every business needs to have a written business plan. Whether it's to provide direction or attract investors, a business plan is vital for the success for your organization. But, how do you write a business plan?

SBA.gov recommends that a business plan includes;

- Executive summary - a snapshot of your business.
- Company description - describes what you do.
- Market analysis - research on your industry, market, and competitors.
- Organization and management - your business and management structure.
- Service or product - the products or services you're offering.
- Marketing and sales - how you'll market your business and your sales strategy.
- Funding request - how much money you'll need for next 3 to 5 years.
- Financial projections - supply information like balance sheets.
- Appendix- an optional section that includes résumés and permits.

However, getting started can be difficult to do. So, here's a seven steps in writing a perfect business plan.

1. Research, research, research.

Research and analyze your product, your market and your objective expertise. Consider spending twice as much time researching, evaluating and thinking as you spend actually writing the business plan.

To write the perfect plan, you must know your company, your product, your competition and the market intimately.

In other words, it's your responsibility to know everything you can about your business and the industry that you're entering. Read everything you can about your industry and talk to your audience.

2. Determine the purpose of your plan.

A business plan is a “written document describing the nature of the business, the sales and marketing strategy, and the financial background, and containing a projected profit and loss statement.” However, your business plan can serve several different purposes.

It's also a road map that provides directions so a business can plan its future and helps it avoid bumps in the road. That's important to keep in mind if you're self-funding or bootstrapping your business. But, if you want to attract investors, then your plan will have a different purpose and you'll have to write your plan that targets them so it will have to be as clear and concise as possible. When you define your plan, make sure you have defined these goals personally as well.

3. Create a company profile.

Your company profile includes the history of your organization, what products or services you offer, your target market and audience, your resources, how you're going to solve a problem, and what makes your business unique.

Company profiles are often found on the company's official website and are used to attract possible customers and talent. However, your profile can be used to describe your company in your business plan. It's not only an essential component of your business plan, it's also one of the first written parts of the plan.

Having your profile in place makes this step a whole lot easier to compose.

4. Document all aspects of your business.

Investors want to make sure that your business is going to make them money. Because of this expectation, investors want to know everything about your business. To help with this process, document everything from your expenses, cash flow, and industry projections. Also don't forget seemingly minor details like your location strategy and licensing agreements.

5. Have a strategic marketing plan in place.

A great business plan will always include a strategic and aggressive marketing plan. This typically includes achieving marketing objectives like;

- Introduce new products
- Extend or regain market for existing product
- Enter new territories for the company
- Boost sales in a particular product, market or price range. Where will this business come from? Be specific.
- Cross-sell (or bundle) one product with another
- Enter into long-term contracts with desirable clients
- Raise prices without cutting into sales figures
- Refine a product
- Have a content marketing strategy
- Enhance manufacturing/product delivery

Each marketing objective should have several goals (subsets of objectives) and tactics for achieving those goals.

In the objectives section of your marketing plan, you focus on the 'what' and the 'why' of the marketing tasks for the year ahead. In the implementation section, you focus on the practical, sweat-and-calluses areas of who, where, when and how. This is life in the marketing trenches.

Of course, achieving marketing objectives will have costs. Your marketing plan needs to have a section in which you allocate budgets for each activity planned. It would be beneficial for

you to create separate budgets for internal hours (staff time) and external costs (out-of-pocket expenses).

6. Make it adaptable based on your audience.

The potential readers of a business plan are a varied bunch, ranging from bankers and venture capitalists to employees. Although this is a diverse group, it is a finite one. And each type of reader does have certain typical interests. If you know these interests up front, you can be sure to take them into account when preparing a plan for that particular audience.

For example, bankers will be more interested in balance sheets and cash-flow statements, while venture capitalists are looking at the basic business concept and your management team. The manager on your team, however, will be using the plan to “remind themselves of objectives.”

Because of this, make sure that your plan can be modified depending on the audience reading your plan. However, keep these alterations limited from one plan to another. This means when sharing financial projections, keep that data the same across the board.

7. Explain why you care.

Whether you’re sharing your plan with an investor, customer, or team member, your plan needs to show that you’re passionate, dedicated, and actually care about your business and the plan. You could discuss the mistakes that you’ve learned, the problems that you’re hoping to solve, listing your values, and what makes you stand out from the competition.

When I started my payments company, I set out to conquer the world. I wanted to change the way payments were made and make it easier for anyone, anywhere in the world to pay anyone with little to no fees. I explained why I wanted to build this. My passion shows through everything I do.

By explaining why you care about your business creates an emotional connection with others so that they'll support your organization going forward.

Chapter 7

How to Write a Business Plan Executive Summary

A good executive summary is the holy grail of good business plan writing. Even though it comes after you have written and thought through every other facet of your business, it is arguably the most important part of the puzzle.

As its name implies, the executive summary is a brief overview of your business plan. Call it an introduction to your business and you would be very right. The executive summary gives time-crunched executives or VCs that high-level overview that will either persuade them to read your plan further or toss it in a trashcan without a second thought.

Even though the executive summary is the first thing that the readers of your business plan will go through, you should write it last because it summarizes everything from that start to the end of your business plan. Also, it is usually the first and probably the most important thing that busy investors consider before deciding if your business plan is worth spending a minute on.

Secondly, since it's a summary, you will only be highlighting the main facets of what you have uncovered over the course of writing your plan. Below is a list of what your executive summary should include:

Components of a Business Plan Executive Summary

- Business concept (*what you do or what you intend to do*)
- Business goals and vision (*what you want to achieve*)
- Product/service description and differentiation (*what you offer and what makes it different*)
- Target market (*who you want to sell to*)
- Marketing plan (*how you plan to reach your customers*)
- Current financial state (*what you currently make in revenue—for existing business looking at expansion, or how much you already have on ground—for startups*)

- Projected financial state (*what you foresee making in revenue*)
- The request (*how much funds you are asking for*)
- The team (*who runs your business*)

How to Write a Business Plan Executive Summary

A good way to start writing your executive summary is to look at the list above and write a few sentences (*one to three*) on each item. If you are having problems with this, you can review your business plan so as to figure out how to start. In fact, another smart approach to writing your executive summary is to shorten each section of your business plan into two or three sentences.

Finally, it is important that you round off your executive summary with a powerful but very brief closing sentence explaining to the reader why your business idea is a winner. For example, for a business that offers home cleaning services within Nairobi area, a typical closing sentence could be:

“HomeKlin’s professional home cleaning services help homeowners in Nairobi give their homes a brand new look.”

Having discussed how an executive plan is written, let’s go further by looking at tips on how to ensure that your executive summary is perfectly written.

8 Tips for Writing a Perfect Business Plan Executive Summary

1. You must ensure that your first paragraph is strong enough to attract the reader’s attention and compel them to read the rest of the summary. For example, you can start by stating a market problem that your business promises to fix.
2. Remember, it’s all a summary. So, keep it short. The business plan itself will provide the details. So, don’t waste the reader’s time or irritate them by adding unnecessary details in your executive summary.
3. Use strong and positive language. Don’t weaken or dilute your statements with inappropriate words. For example, instead of writing “*Our business might just become*

the market winner in the next five years”, write *“Our business is poised to become the market winner in the next five years.”*

4. Although there is no standard page length for executive summaries, it is better to keep it within two pages. Always resist the temptation to stuff your business plan’s executive summary with details that are already covered in the rest of the plan. Remember, the summary is meant to present facts about your business and entice the reader to read the rest of the plan.
5. Fine-tune your executive summary after writing it. Read it aloud to yourself. *Does it sound great to you? Does it sound clear and brief, but detailed?* If you are satisfied with it, let someone else who knows nothing about your business read it and give suggestions on how you can improve it.
6. Customize the executive summary for your target audience. If your motive is to entice investors, for instance, your summary should hammer on the benefits that investors stand to gain from the opportunity you are presenting to them. Also, use formal or informal language depending on what’s more appropriate for your target audience.
7. Read the executive summary aloud once again, putting yourself in place of the reader this time. *Does the summary trigger your interest in the business or put you off instantly? Does the summary sound too good to be true, due to the choice of words?* After reading it thoroughly, make necessary adjustments.
8. Clear your vocabularies of any self-glorifying superlatives, clichés, and overused expressions that you may not be able to back up. Avoid words like *“best”*, *“ground-breaking”*, *“cutting-edge”*, *“world class”*, etc. Investors and other readers see those words almost every day and they tend to overlook their real meanings.

In conclusion, as stated earlier, the executive summary is the part of your business plan that readers will read first. It may as well be the last part to be read if it’s not properly written. So follow the guidelines in this chapter, and you will produce an executive summary that will stun the reader.

Chapter 8

Writing your Company's Profile

This section of your business plan will fundamentally answer two important questions:

1. *Who are you?*
2. *What do you plan to do?*

Answering these questions in a succinct and simple manner would provide an ample introduction of why you are in business, why you are different from the competition, what you have going for you, and why investing in your business would be a good bet.

This section of your business plan also offers you the opportunity, if you haven't done so before, to evaluate and document the intangible facets of your business principles, ideals, and cultural philosophies that will allow you to better grasp your own corporate identity. Here are the necessary components that should go under your company profile:

Components of your Company's Profile

- Structure of your business (*sole proprietorship, general partnership, limited partnership, or an incorporated company*)
- The date your business was established (*for existing businesses*)
- The nature of your business (*what are you selling, or what are you planning to sell?*)
- The industry you are in
- Business vision, mission, and values
- Background information on your business or its history
- Business Objectives (*short and long-term*)
- The Business team

Now, let's discuss tips for tackling some of the more tricky components in the list above:

How to Develop a Mission and Vision Statement

This is where you discuss why your business exists or should exist, what you hope to accomplish, and what you actually stand for.

A vision and mission statement are some of the most important requisite for business success and sustainability, but unfortunately, most entrepreneurs and small business owners run their business without these two thing out of ignorance. Do you want to learn how to develop a business plan mission and vision statement? Then I advice you read on.

A mission and vision statement (*more commonly called a mission statement or a vision statement*) is a brief sentence that declares the goals that a business plans to achieve in the future. Like a compass guides a ship, it guides a business to success by providing continuously inspiring its stakeholders in their daily operations and strategic moves.

A mission statement helps you plan your business effectively. It provides the destination for your journey to business success. Of course, without a destination, you can't plan a route. Before we discuss the steps involved in developing a mission statement for your business, let's look at the components of a mission statement and why you really need a mission statement for your business.

Today, I will be sharing with you an underground secret to building a business from scratch. This secret is one of the contributing factors to the success of any business; yet, it's often ignored. This secret is nothing more than a "***Business Mission Statement.***"

"The thing I really care about is the mission; making the world open." – Mark Zuckerberg

The importance of a mission statement can never be over emphasized. I have seen so many startups without a mission; even some established firms also make the mistake of operating without a mission.

“Being an entrepreneur, I have come to realize that all successful businesses are driven by three fundamentals. One is the cash flow, two is the team and three is the mission. Of these three, the mission is the most important.” – Titus Mirieri.

Now what has a mission statement got to do with building a business? What’s the impact of a mission statement on an entrepreneur undergoing the entrepreneurial process? Is a mission statement a source of competitive advantage? While I am not going to answer these questions directly, the following points will help you further understand why you need to develop a mission statement for your business?

Why Your Business needs a Mission Statement

1. The mission is the foundation on which your business will be built. It’s the true purpose of your business and that purpose is reflected in the mission statement. Without a strong mission statement, you don’t have a true business. All you have is just a profit making venture that will soon be wiped out with time.

“To turn really interesting ideas and fledgling ideas into a company that can continue to innovate for years, it requires a lot of disciplines.” – Steve Jobs

2. The entrepreneurial spirit is found in the mission statement. When I look at the mission statement of any business, I get a peep into the life of the entrepreneur that founded that business. The entrepreneurial spirit is what drives the entrepreneur forward. If the mission is strong, your spirit will be strong towards the pursuit of your goal.

“The IKEA spirit is strong and living reality. Simplicity in our behavior gives us strength. Simplicity and humbleness characterize us in our relations with each others, our suppliers and our customers.” – Ingvar Kamprad

3. Your mission statement is the bond binding you, your team, employees and your customers to the business. Take away the mission and other key elements will fall apart. Your mission also has the power to attract other like-minded individuals and entities to your cause.

The reason is that people with the same mission align together; more like birds of the same feather flocking together.

4. With a strong mission, your business will weather any storm. Take a look at businesses that has been around for over 100 years and you will see businesses with a strong mission. As an example:

- General Electric has stood the test of time because the spirit of its founder “*Thomas Edison*” continues to guide the company through its mission.
- Henry Ford’s mission statement was: “*To democratize the automobile*” and that mission has kept the Ford Motor Company going.
- Aliko Dangote’s mission statement goes: “*Providing your basic need*” and this mission drives the Dangote Group to dominate the commodities market of West Africa.
- The Rich Dad Company; founded by Robert Kiyosaki keeps waxing strong because of its mission, which is “*To elevate the financial well being of humanity.*”

By contrast; I have come to observe that when a company forgets its mission, it starts to lose its relevance. The bond holding the business will be broken and good customers will leave, employees will resign and the business will dwindle. Just as the case of the Dot com burst, many profitable Dot com companies went under because they forgot their mission.

3 Components of a Mission and Vision Statement

1. A vision

This, simply put, states the impact you envision your business having on the world in years to come. You can have more than a single statement in here, but don’t go beyond three. Gloss it over to make sure anyone who reads it feels at least one of inspiration, hope, commitment, and awe. In addition, your vision statement must be compelling, detailed, and reflective of the intended end outcome. Avoid one that is bland, generic, uninspiring, or unreasonable. An example of a good vision statement is that of Amazon:

“Our vision is to be earth’s most customer centric company; to build a place where people can come to find and discover anything they might want to buy online.”

2. A mission statement

This is a brief statement that states the important goal or purpose that your business is poised to achieve. In other words, it's a single sentence stating why your business exists in a convincing manner. Keep your mission statement specific and concise (*the shorter it is, the better*), make it connect with both employees and stakeholders, and make it highlight your value proposition. Don't make it too long, generic, or confusing. An example of a good mission statement is that of Nike:

“To bring inspiration and innovation to every athlete in the world.”

Here's another example of a mission statement:

“To contribute to development of value-added agricultural businesses.”

3. Core values

These outline the principles and values that the stakeholders in a business will follow in their bid to achieve their vision. They also specify the bounds or limits that the stakeholders must watch while trying to actualize the mission. The following are examples of core values:

- *Respect and protect the environment*
- *Offer high quality products that are safe for consumers*
- *Meet the ever-changing needs of consumers*
- *Practice highly ethical business standards*

If your business is going to stand the test of time, then you will have to build it upon a strong mission. With the above in mind, let's now look at the steps involved in developing a mission and visions statement.

How to Develop a Mission and Vision Statement for a Business Plan

Please bear in mind that you are learning as much of yourself each day as you are about your customer. So, don't feel that anything you state here is etched in stone and cannot be changed. The more you understand your customer and the market, the more necessary it would become for you to shift grounds accordingly.

But you need to state here what you have to offer at the moment. This will be a starting point for any changes you may need to effect later (*as your business grows*).

1. **Sit down in a quiet spot and reflect upon your thoughts.** *Ask yourself what drives you forward? What keeps you motivated?* When you have figured out the answer to these questions, put it down in writing.

2. **Ask yourself how best you can serve your customers.** *What will your business stand for in the heart of your customers? What will be the ultimate benefit your customers can derive from your business?* When you figure the answer to these questions out, put it down in writing.

3. Brainstorm for your vision statement

The vision is the most important component of your mission statement. Simply put, this is a picture or idea of what you plan to achieve in future. A vision statement is always concise and easy to remember, and for this reason, every stakeholder in a business can easily focus on it; and their decisions and activities are directed towards achieving the vision. Here is a good example of a vision statement:

“Creating a vibrant rural economy driven by value-added agriculture.”

Once you get one down, then getting other components becomes very easy. To find the best vision statement for your business, simply ask yourself the question, “*Why does this business exist?*” Present answers from various angles, and you will find your mission statement among them.

4. Get down your mission statement

As stated earlier, your mission statement is that action sentence that describes how you will achieve your vision. Finding this is much easier once you have found your vision statement. If you are stuck, just do it this way: If your vision is “*A diabetes-free society*”, then simply add the word “*To*” and another suitable verb to convert it to an action sentence. And there you will have your mission statement.

Using the same vision, you will get “*To bring about a diabetes-free society.*” You can go further by tweaking it, so that you will have something like: “*To manufacture products that can cure diabetes effectively and permanently.*” You get it now?

5. List your core values

First off, you need to clarify your values. This means taking into account all the various stakeholders that your business is (*or will be*) accountable to—including investors, customers, employees, and suppliers. Now, consider how you would like to ideally conduct business with each of these stakeholders. Start making a list and your core values should start to emerge.

These are the various steps you will follow in your quest to achieve your vision. Brainstorm for as many as possible, list them down, and then prune your list down to as few as possible without leaving out any important ones. Now, let’s look at some additional tips that you will need to keep in mind when preparing your mission and vision statement.

4 Extra Success Tips for Developing a Business Plan Mission and Vision Statement

1. Your mission statement must be brief and simple. Being succinct as demanded by a mission statement isn’t easy. And you may need to go through several hours of tweaking and editing before arriving at the perfect sentence. Though short, your mission statement must capture the very essence of what your business plans to achieve. The fewer words the better. Use just only the few words needed to pass the message without leaving out any vital details.
2. Your mission statement must be in tune with your vision, and both sentences must blend to form a single thought.

3. There's no rule that says you must get it perfectly at once. You can keep review your mission statement later, if necessary.
4. Your mission and vision statements must give the reader an insight, a covert one, at least into what you offer. This is more important if the name of your business doesn't suggest what products or services you're offering.

If you follow the guidelines i have shared above, you will prepare a perfect vision and mission statement that will drive your business to success. Now I want you to know that no one can help you develop a mission statement. You alone can develop your mission and as a final note, it's worthwhile you know that of the entire business system, the mission is the most important.

How to Plan Your Business Goals and Objectives

Having answered the “what” and “why” questions about your business, it's time to answer the “how.” Are you in the process of writing a business plan for your small business? Do you need help writing your business plan goals and objectives? Then below is an in-depth guide on how to write a business plan goals and objectives.

Without a business plan, your business would be like a rudderless ship drifting aimlessly on a vast, stormy sea. A business plan is the compass that guides your business through its journey to growth and success. The most important components of your business plans are your business goals and objectives. Without these, your business plan is simply empty. Well-chosen goals and objectives keep a new business on track.

The business objectives section reveals how you are going to execute your vision and mission and bring them to reality. This is where setting goals and objectives come into play. As a rule of thumb, your business goals and objectives must be SMART. That is, they must be specific, measurable, actionable, realistic, and time-based.

Before we dig deeper into how you can plan your business goals and objectives, let me explain what both terms mean and how they are different. (*Many people think both terms can be used interchangeably, but they have different meanings*).

What are business goals?

Goals tend to be more qualitative, while objectives are usually quantitative. Also, goals usually revolve around achieving big picture business intentions that are centered around market position, customer service, growth, and company culture among other key things. Goals are the ultimate successes that you plan to achieve after some activity or practice. For example, one of your business goals could be “*to expand your business from small scale to medium scale by the next 5 years.*”

Business goals outline the destination you are heading for and the time you plan to reach those destinations. Goals also help you improve the overall effectiveness of your business. The more carefully you define them, the more likely you are to achieve them in the long run.

What are business objectives?

Objectives, on the other hand, focus more on practical, day-in day-out metrics that revolve around revenue, number of customers, and product-related metrics. Objectives are specific procedures for achieving a goal. They are the steps that you need to take in order to achieve your desired goals. For instance, if your goal is to expand your business from small scale to medium scale in the next 5 years, you are likely to have the following as your objectives:

- To market your business aggressively in order to attract more customers
- To reward loyal customers as a way of retaining them
- To develop an online marketing strategy
- To research and analyze possible growth opportunities such as acquisitions, mergers, etc.
- To introduce new products and services
- To open more offices in various locations

In short, your objectives specify what steps to take and when you should take them. Now, let’s briefly define the timelines for an entrepreneurial venture. “*Short-term*” means the next 9 – 12 months, while “*long-term*” means the next 1 – 5 years. With the above in mind, let’s now look at how goals and objectives work together to propel a business to success.

- Goals specify where you want to go, while objectives specify how exactly you will get there.
- While goals can increase your effectiveness, objectives make you even more efficient by showing you how realistic your goals are.
- Goals are defined in words, and they are usually very brief. But objectives are usually more detailed, and they come with numbers and specific dates.

Having well-defined goals and objectives for your business means forming a road map for your company's future. Without them, you are very likely to make wrong decisions and waste precious resources. After having discussed their importance, let's now discuss how to develop or outline perfect goals and objectives for your business.

Writing your Business Plan Goals and Objectives

Firstly, when establishing your goals and objectives, try to involve everyone who has roles to play in the achievement of those goals and objectives after you outline them. Secondly, start with as few goals as possible. Anything between 5 and 8 is a good number to start with. If your goals are too many, you may have a hard time accomplishing them. But be sure to outline enough goals that you will need to drive your success. Here's a checklist for defining your goals and objectives:

1. Outline how determined you are to succeed. If your determination isn't strong enough or you are nursing fears of obstacles ahead, you are less likely to succeed.
2. Define whether you are willing to invest your own money and time for no pay and carrying on with this sacrifice for many months, at least.
3. Define how many employees your business will have when your efforts start paying off.
4. Define what you want your annual revenue to be after one year, five years, ten years, and so on.
5. Define what would be your market share in that time frame you have set.
6. Define whether your business will concentrate on just one niche or it will offer a wide range of products and services.
7. Outline your plans for geographic expansion; local, national, or global.
8. Define whether you will be in charge of most tasks or you will delegate most tasks to others.
9. Ask yourself if you are comfortable taking direction from others or working with partners or investors who may have some input in the management of the business.

10. Define whether your business will remain privately owned or it will go public after some time.

Finally, before incorporating your goals and objectives into your business plan, you must fine-tune them to ensure that they are clear, specific, realistic, and in line with your pattern of business.

How to Write a Job Description

What is the importance of a job description in a business plan? Are you in the process of writing a business plan and you want to learn how to write a job description for a business plan? Then I advice you read on.

Your Business Team

Here, you drive home the point that not only do you know what you are doing or where you are going, but that you have the right mix of talent and experience to actually make it all happen.

You will need to highlight key members of your management team (*which may be only you for the time being*) as well as external service providers such as lawyers, accountants, and contract professionals. Also, include your advisors or board members (*if you have any*) as well as the positions you will be looking to hire in the near future.

While planning your business, one of the most important steps that you shouldn't skip is writing a job description for every position that you are planning to hire an employee for. This may not be important if you have no plans to hire employees.

A job description is an important tool for hiring and managing your employees, as it helps them understand their roles and responsibilities even before they start working with you. It tells them what they need to do, how they need to do it, and what they will be held accountable

for as soon as they assume their duties. It also reveal to investors who-is-who in your proposed or established business. In addition, a job description does the following:

4 Benefits of a Job Description in a Business Plan

- It helps you attract the right employees
- It gives a detailed description of an employee's job or position
- It serves as a basis for outlining performance expectations, career advancement, job training, and job evaluation
- It provides a reference point for compensation decisions as well as unfair hiring practices

Writing a Business Plan Job Description

A job description should be clearly written, accurate, and very practical. It must effectively define your needs as well as what you expect from your employees. To write a good job description, you should start by analyzing the important facts about a job, such as:

- **The individual tasks involved:** *What are the tasks that the employee must complete on a periodic basis?* Outline daily tasks, weekly tasks, monthly tasks, and quarterly tasks required of the employee. To be practical enough, outline the duration and requirements of each task as well.
- **The methods for completing each task:** If the tasks outlined can be handled using more than one method, outline which methods you can afford to provide your employee (*but for optimal employee efficiency, make provisions for the best method available*).
- **The purpose and responsibilities of the job:** Outline how the role played by the chosen candidate would contribute to the business. Also, outline what the employee would be held accountable for.
- **The relationship of the job to other jobs:** Outline how the chosen employee would work with other employees within the company.
- **Qualifications needed for the job:** Outline the relevant qualifications that each candidate must have. Also state the number of years for which the candidate must have gained working experience in the same position.

The outline of a job description

A job description typically includes the following:

- Job title
- Job objective or overall purpose statement
- Brief of the general nature and level of the job
- Detailed description of the wide scope of the position
- List of duties or tasks to be performed that are critical to success
- Key functional and relational responsibilities (listed in order of significance)
- Description of the relationships and roles within the company, including the supervisory roles, subordinating roles, and other working relationships

In addition to the above listed, the following items may be added to the job description if deemed necessary:

- Job requirements, standards, and specifications
- Job location where the work will be performed
- Equipments available to be used for the job
- Salary range

5 Tips to note when writing a job description

- Always use verbs in the present tense.
- For the purpose of clarity and adding meaning, use explanatory sentences telling why, how, where, or how often whenever necessary.
- Delete any unnecessary articles such as “*a*”, “*an*”, “*the*” or other stop words to make the description easy to read and understand.
- Be unbiased in your use of pronouns. Use the “*he/she*” approach or construct your sentences in such a way that you won’t have to use pronouns.
- Avoid the use of adverbs or adjectives that are subject to additional explanation and interpretation; such as some, complex, several, occasional, frequently, etc. Rather than use them, use clear sentences that define your intent.

What to Avoid When Writing a Job Description

Don't be rigid with your job description, as this may make you miss out on many diligent employees who can become great assets to your business. Jobs are subject to change for personal improvement, organizational development, and evolution of new technologies. A flexible job description encourages employees to grow within their position and contribute over time to the growth and development of your business.

In conclusion, a well-written job description can make all the difference between a successful business that grows over the years and one that remains on the same spot after several years. The right employees, if chosen for your business, can help propel your business to great heights within a short period. Only with a good job description can you hire such.

Legal Structure of a Business Plan

Are you in the process of starting a business? How do you plan your business legal structure? What is the legal structure of a business plan? Well, I advice you read on to learn how to legally plan your business structure.

In case you are wondering where your business belongs, here are some common definitions:

- Sole proprietorship: A business that is owned and run by a single individual
- Partnership: A business created and sustained by the joint efforts of two or more individuals
- Corporation: A business that enables prospective shareholders to exchange money or property for capital stock

A business legal structure is a very important component of a business plan. When beginning a business you must decide what legal structure your business will assume. The most common business structures are *sole proprietorship*, *partnership*, *C Corporation*, and *S Corporation*. Your chosen structure determines which income tax return form you have to file. Making a final decision as to which legal structure your business would assume could be very

tricky because each option has its own pros and cons. Now, let's discuss each of these types of business structures.

How to Plan Your Business Legal Structure

1. Sole proprietorship

A sole proprietorship refers to a business that is owned by one individual. Most businesses, especially small businesses are sole proprietorships by default unless they are stated to be otherwise. The owner of a sole proprietorship is expected to report all business profits and losses on their personal tax returns. This is because a sole proprietorship is not taxed separately.

Keep in mind, however, that by being a sole proprietor, you have unlimited liability to the business as well as its debts. This implies that if you happen to be sued (*or you have problems with paying up your debts*), your personal assets (*your house, cars*) will be at risk; alongside your business assets.

So, while a sole proprietorship has the advantage of not being taxed separately, it has the disadvantage of making you lose more than you can ever imagine should you run into debt or legal hassles.

2. LLC (*Limited Liability Company*)

This business structure was not widely known until recently. And now, it has become the most popular way for small businesses to get started. Although an LLC is taxed just like a sole proprietorship, it has the added advantage of a limited protection of a corporation.

As an LLC owner, you can use losses to offset income but only up to the amount you invested and not more. And in case you run into problems, your personal assets have more protection than in the case of a sole proprietorship. (*But this protection is not 100%*). However, one disadvantage of LLCs is that they are usually subject to additional franchise taxes.

3. C Corp

A C Corporation is a taxable entity; it is taxed solely on its income rather than the owner being taxed. This offers a big advantage to the owner in that a C Corp can use an “*income splitting*” strategy to divide the profit realized from the business between the company and its owners. This means part of the tax obligations are due on the corporation itself and the remaining part taxable to the owners. This strategy could put both the company and the owner into lower tax brackets for tax savings.

But C Corps can be subject to double taxation on dividends paid out to shareholders, and this is the main disadvantage of this legal structure. When this happens, the corporation is taxed on its income while the shareholders are also taxed on their dividends.

4. S Corp

An S Corp doesn't have to pay self-employment taxes on its income. So, this legal structure can provide some tax savings. But S Corporations are required to pay owner-employees a “*reasonable salary*” before they can pay out any dividends to shareholders.

However, the reasonable salary paid is subject Social Security and Medicare fees, both of which would sum to self-employment tax most of the time. S Corps can only enjoy significant tax savings when the company becomes a big income earner. Like C Corps, S Corps are intricate and cost more attorney and accountant fees at the time of tax.

To find the best legal structure for your business, search the web for more resources that give an in-depth explanation of the pros and cons of each option. Then assess your business to understand which option seems to be most suitable for it.

If you are having problems with choosing the most suitable legal structure for your business, you can consult a seasoned business lawyer or CPA (*Certified Public Accountant*) to help you decide which is right for you.

While an attorney would help you protect your personal assets by helping you choose the right structure, an accountant would determine tax-reporting responsibilities for your chosen legal structure.

In conclusion, after deciding on the right legal structure for your business, you should educate yourself regarding your rights and responsibilities as a business owner. To know more about these, you can consult your local SBA (*Small Business Association*) or (*IRS*) Internal Revenue Service.

Chapter 9

Business Plan Industry Analysis

How do you conduct industry analysis for a business plan? Do you need help conducting market research and industry analysis for your business plan? Then I advice you read on.

So you have a great business idea, you have refined and fine-tuned it, and you are ready to launch. You are going to offer a product or service with a clearly defined customer base, and you are confident that you will be successful in the long term. Well, if the above applies perfectly to you, then you have not completed your assignment.

What happens when you enter an examination hall without having studied for the exam at all? You'd spend all your time in the hall blaming yourself for being silly, right? Now, starting a business is even much more important because there's a lot more at stake than passing or failing a grade. So, you must not leave out any aspect of research undone.

In this section of your business plan, you will demonstrate that the industry's market size is worth going after, who your main competitors will be if you decide to take a plunge, and how you will be able to carve out a niche for yourself and give your competitors a run for their money. Planning a business goes beyond analyzing the potential of your offer. You must analyze the following three factors as well:

- *The strengths and weaknesses of your business*
- *The competition*
- *Who your customers are, what they want, and how they want it*

These are the major components of a business plan's market or industrial analysis and it is also known as a SWOT (*Strength, Weaknesses, Opportunities and Threats*) analysis. This section of your business plan reveals the chances of your business to achieve success with its offers. And that's why the industry analysis is a very important section of your business plan, which must be carefully conducted and documented.

So in this chapter, we will be looking at how to conduct industry analysis for a business plan. If you are a budding entrepreneur, or you are planning to start a new business; then below are the exact steps to follow when conducting an industry analysis for a new business:

How to Conduct Industry Analysis for a Business Plan

1. Analyze the competition

Of the three factors listed above, the competition may prove the most difficult to analyze, especially if you are new to the industry. But there are ways to simplify the task. You can start by looking at your direct competitors. If you are planning to start a new restaurant in an area, your direct competitors are other restaurants within that locality, while your indirect competitors are those that are slightly remote but still around.

Now, you are not just counting the number of rivals you have. You are trying to see how you can push ahead of them by filling a loophole they never noticed all these while. Some people find it hard to leave their workplace for the restaurant at lunchtime, but it's either they do it or go hungry. You can disrupt the market's status quo by offering to deliver lunch to people right in their workplaces. Filling loopholes like this one should be your goal.

If you don't device strategies for pushing ahead of the competition, you will just enter the industry and join the survival race that you may never win. So, you need to introduce an innovation that will threaten your rivals. Remember, it's either you differentiate or you fizzle out fast!

2. Assess the industry / market size

After analyzing your direct and indirect competitors, you will need to analyze your chances of standing firm even in the face of stiffer competition. Your first step in market research is to get an idea of how big the opportunity is and why it's worth going after. This means finding out how many customers you are catering to and much revenue you are likely to make. This is a convincing first step to lure in whoever is reading your business plan to become intrigued and dig further into your findings. Here are some factors you should consider:

- *The individual strengths and weaknesses of your competitors.*
- *The rate at which new competitors enter the market or the rate at which old competitors are leaving the market.*
- *The products or services that fetch most revenue for your competitors.*
- *How you will overcome the threat of substitute goods.*

You can get lots of helpful information about your market from government sources, trade associations, financial services firms, online data providers, and free resources on the web.

3. Analyze industry forces and trends

You will need to outline what's happening in the industry from many perspectives that would help the reader get the full gist on whether the market is lucrative or not. A great general-purpose tool for doing just that is the PEST Analysis. Here's what it stands for and what you should consider:

- P – Political factors (*the role government plays in your industry*)
- E – Economic factors (*the state of the economy on both local and national level*)
- S – Social factors (*relevant changes in matters like lifestyle trends, demographics, consumer attitudes, buying patterns and opinions*)
- T – Technological factors (*the impact of changing technological trends on your industry*)

4. Develop your marketing plan

Developing your marketing plan entails answering the following questions:

- *What products or services are you offering?*
- *How much will you charge for your offers?*
- *Where will you sell your product, and who are your target customers?*
- *What special incentives would you use to encourage customers to buy your product?*

In short, this section of your industry analysis outlines how you will deliver your product to the customers and how you will win customers to your side.

5. Craft your growth plan

While some entrepreneurs are of the opinion that this step should come only after you have established your business, crafting your market development plan helps you envision your company growing in a few years. Your growth plan should address the following questions:

- *According to recent data, is the market for your product growing or dwindling?*
- *Do you plan to introduce new products or line extensions in the next few years?*
- *If you plan to introduce new offers, would they be closely related to your current offers or within another niche entirely?*
- *Are there strategies for giving your business the competitive advantage in the industry?*
- *Are there plans to handle increasing demand?*

6. Fine-tune your analysis

After the steps discussed above, cross check your analyses to ensure that your findings are factual and your figures are accurate. Another handy tool to have in your arsenal when conducting industry research is the almighty **Porter's 5 Forces Analysis**. (*Don't worry if you've never attended a business strategy class in your life, it's actually quite straightforward*). Here's the breakdown:

- **Threat of new entrants:** How difficult (*or easy*) is it for someone to enter your specific vertical? If it's very easy then most likely the space will be crowded with competitors fighting for margins. Conversely, if it's very difficult, that that in itself can become a competitive advantage.
- **Threat of substitute products or services:** How likely is it that another product or service could decrease demand or displace you and potentially the entire industry all together?
- **Bargaining power of customers:** When it comes to pricing and terms, how much power does your customer have? Are they organized enough to exercise their purchase power, or is there so much competition that they have their pick resulting in pricing wars amongst providers?
- **Bargaining power of suppliers:** This refers to how dependent you are on a given supplier to operate your business. If it's difficult or near impossible for you to switch, that means they have the upper hand, whereas, if the switching costs are low, you can negotiate better terms for yourself.

- **Competitive rivalry of the market:** Factoring in the first four forces, you can arrive at a good understanding of the playing field and whether it's in your favor if you enter it, how long you'll be able to last, through what means you'll carve a space for yourself, and what you're up against.

As a final note, you must never forget that the industry analysis is a vital part of your business plan and it will probably be the most extensive portion of it. So, take your time to conduct extensive research on your competitors and market trends over the recent years.

Writing a Business Plan Competitive Market Analysis

After giving the reader a good idea of the important trends and paradigm shifts in the industry, you will need to specifically point out your major competitors. This means factoring in on not just your direct competition, but the indirect competition as well.

To help you and the reader / investor / lender get a good grasp on how formidable those competitors might be, you should mention things like their market share, annual profits, and competitive advantage.

It is much easier to find information on public companies than private companies, but it's always a good idea to do as much background research as possible. When discussing each of your competitors, you will want to use the SWOT Analysis. Here's what it stands for:

SWOT Analysis

- **S – Strengths:** *What do they have going for them? Is it their technology, brand, people, or lean value chain?*
- **W – Weakness:** *What are they missing out on? Do they lack experienced management, reliable customer service, or customer retention tactics?*
- **O – Opportunities:** *What are they positioned to take advantage of? Are their environmental, technological, or other trends or changes they are likely to benefit from?*
- **T – Threat:** *What gives them sleepless nights? What are they always worried about?*

Next, you will discuss what makes your offer distinct from others in the marketplace. These variables are your “*unique selling points*,” “*value propositions*,” or “*competitive strategy*.” The following questions will help you craft this part perfectly:

1. *Can you scale your operations in order to offer lower prices than majority of the players in an effort to maximize profits?*
2. *Does your business offer something distinct from those of the current cost leaders in your industry?*
3. *What is your niche or specific target market?*

Finally, it is important you bear in mind that your product or service will have a competitive advantage if it meets the following conditions:

- Satisfies a previously undiscovered need, or comes as a first-of-its-kind solution to an existing need
- Solves problems faster than other offers available
- Spots a better design that stands out from others
- Comes at a lower price than other offers
- Helps customers save money
- Helps customers reduce risk
- Taps into a previously under served or never served market
- Offers greater ease of use than other offers

How to Conduct a Business Risk Assessment

How do you conduct a risk assessment especially writing a business plan? What’s the importance of conducting risk assessment on a business idea or opportunity? Do you need a business risk assessment template? Well, I advice you read on.

Every business involves some risks. This may be little or much depending on the type of business as well as many other market factors. Identifying, outlining, and assessing the risks involved in a new business and developing strategies to manage those risks is an important, in fact indispensable step to take when planning a new business.

By understanding potential risks to your business and outlining strategies to cushion their effects, you will help your business recover quickly if an unexpected incident occurs.

For instance, a risk assessment will unveil workplace risks that you or your employees are exposed to. And it will help you meet your legal obligation for providing a safe workplace and reducing the likelihood of workplace mishaps that can impact negatively on your business.

Types of risk vary from business to business, but conducting a risk assessment and preparing a risk management plan involve a process that is common to all business. It goes without saying that the first step to take when conducting a risk assessment is to identify potential risks to your business. Understanding the scope of potential risks will help you come up with realistic and cost-effective strategies for handling them.

When considering the types of risks that your business is prone to, it is very important that you think broadly. This is where many people go wrong in their risk assessment; they focus only on the obvious concerns like fire, theft, competition, etc. without paying attention to subtle but equally dangerous concerns.

Assessing your Business for Possible Risks

Only after assessing your business can you successfully identify the risks associated with it. Start by thinking about your critical business activities, which includes your main services, your resources, your employees and factors that could affect them or their work.

These factors include natural disasters, accidents, power failures, and illness. By assessing your business this way, you can work out those aspects that are indispensable to your business.

How to identify risks in Business

After assessing your business to get a clear picture of it, you can start identifying the risks involved. Go through your business plan to see those things your business cannot do without,

and list some possible risk factors that could cripple those indispensable things. Asking yourself the following questions will be of great help:

- *How, why, when, and where are the risks likely to happen in my business?*
- *Are the risks coming from within or from external sources?*
- *Who might be affected if an incident occurs?*

Don't just think of what answers you have to these questions, write down your answers. Then start asking yourself as many "what if" questions as you can, using the various risks you have in your list? The following are examples of such questions:

- *What if power supply ceases suddenly?*
- *What if key documents are destroyed?*
- *What if vital information gets lost due to hard disk crashes or virus attacks?*
- *What if an intruder gains access to confidential information?*
- *What if one of your best employees quit suddenly?*
- *What if your competitors reduced the prices of their products by half?*
- *What if your suppliers went out of business?*
- *What if the area you have your business in is affected by a natural disaster?*

Also write down your answers to these questions. By now, your risk assessment is gradually taking a good shape. But you are not done yet. After identifying the potential risks to your business, brainstorm with other people, such as your financial adviser, accountant, staff, and other interested parties. This will help you get many more perspectives on risks to your business.

Aside the ones you have listed, think about the events that have affected other businesses already in market, especially your competitors. *What factors led to those events? What were the outcomes of those events? Don't you see them happening to your business, too?* Answer these questions, and you will be able to identify even more risks that may be from external sources.

Don't forget to identify each step involved in your work processes and outline the associated risks. Think of what factors could hamper each step and how this could affect the rest of the process. Once you have identified the risks associated with your business as explained above, you will need to analyze the likelihood and consequences of each, and come up with options for managing them.

After completing your rough draft, review it, and reproduce it in a better and more presentable format.

Chapter 10

Writing a Marketing Strategy

Are you in the process of writing a business plan? Do you want to learn how to develop a marketing strategy for a new product? If YES, then you are advised to read on.

As an entrepreneur, you will rely on your intuition to make business decisions most of the time. This informal knowledge is very important in the decision making process. However, it may not provide you with the facts that you need in order to achieve marketing results. And this is where your marketing strategy comes in.

Your marketing strategy is that vital part of your business plan that outlines how you develop products and services that meet the needs of your target market. It also outlines how you will convince customers that your offer is better than those of the competition.

With a good marketing strategy, you will reach your target audience, expand your customer base, and ultimately grow your business. Also, you will set clear, realistic, and measurable marketing objectives for your business.

Every business, big or small needs a marketing strategy (*even if you are not planning to seek funding from third parties*). Customers won't get attracted to your business by osmosis. They will only buy from you if they know who you are, what you are offering, and why they should prefer your offers to those of your rivals. All of these are what your marketing strategy would define.

Developing a marketing strategy isn't dead easy. It requires extensive research, time, and commitment, as it's a vital process that can make or mar your business. Now let's look at the steps involved in preparing a marketing strategy for your business.

Writing a Marketing Plan Strategy for a Business Plan

1. Define your target market

The first major step of your marketing plan is to define your target customers. Of course, that goes without saying. While some offers (*such as snacks or processed fruit juice*) can be targeted at all age groups, most products and services are needed only by a specific category of people, your target market. You need to define your target market to avoid marketing your products or services to those who don't need them.

You can start with location. *Are you targeting an audience within a locality? Or are you targeting a national or global audience?* Figure out the right answer and note it down. Age is another factor you want to consider. *Are your offers suited for small children? Are they more suited for older children and teens? Are they for adults or seniors?* Again, write down what you think is the right answer.

Also, your offer may be suited for only one sex, male or female. If this is the case, then it's worth noting down as well. Think of other factors that can help you specify your target market and analyze those factors.

Customer definition

You will need to describe a number of both general and specific demographic characteristics that apply. Some of the questions you will answer are:

- *Where do they live?*
- *What's their age range?*
- *What's their level of education?*
- *How many of them are there?*
- *What are some common behavior patterns?*
- *What do they spend their free time on?*
- *Where do they work?*
- *What technology do they use?*
- *What ethnicity are they?*

- *How much do they earn?*
- *Where are they commonly employed?*
- *What are their values, beliefs, or opinions?*

The details and the questions you will ask will vary greatly based on what you are offering. Essentially, you want to paint as detailed a picture as possible with both the qualitative and quantitative information you can gather.

There are many ways to break down your customer segments, but you will want to do it in a way that's most meaningful for what you are trying to market. As far as marketing is concerned, you will need to provide a detailed plan on how you will go from generating awareness to ultimately getting what you are selling into the hands of your target customers.

2. Write down the benefits of your products or services

Think of the benefits that consumers will enjoy from your products or services and list as many of them as possible. Keep in mind that these benefits must include those that your customers already expect from your product or service. For instance, if you are starting a tablet PC manufacturing or retailing business, customers won't buy your products if each unit doesn't come with WiFi and the reason for this clear: *everyone expects all tablet PCs to come with WiFi*. You get it?

3. Define the unique selling points of your product

In addition to the benefits that customers expect from your product or service, list those benefits that make your offer unique. Figure out those benefits that are missing in your rivals' offers. Even your pricing could be a unique selling point, especially if your products or services are cheaper than others in the market, and yet are of the same or even higher quality. The more the advantages your offers have over others already in the market, the brighter your chances of attracting tons of customers to your business.

4. Define your marketing methods

Even if your offer has an endless list of unique benefits, customers won't buy unless you let them know about your offer. And that's what marketing does. However, your marketing efforts could be futile if you don't adopt the right methods and media. For instance, if your target audience are teens and young adults, then mobile advertising would work magically for you because teens spend long hours with their mobile devices each day.

Similarly, if you are targeting seniors, consider newspaper advertising because older people read newspapers a lot. But if you are targeting a general audience, then TV advertising would work. Of course, everyone watches TV. Keep in mind that your marketing methods must comprise both online and offline advertising media.

Marketing your products or services

Before you start jotting down a detailed marketing plan, bear in mind that a customer goes through a sequence of five steps before making a final purchase decision. These steps, together forming what is known as the "**Buyer's 5-step adoption process**," are listed below:

1. **Awareness:** Customer are aware you exist, but don't know what you do or sell.
2. **Interest:** Customers have now heard of you and because of what they see, she wants to learn more.
3. **Evaluation:** Customers have now decided whether to give you a shot or not.
4. **Trial:** Customers are willing to make an initial purchase to take your products or services for a spin.
5. **Adoption:** Customers now love what you have to sell and will regularly purchase from you.

The first half of this adoption process is covered through your advertising and promotions plan, while the latter half requires a solid sales and distribution plan. Some of the questions that you'll want to answer for each are outlined below:

Advertising and promotion plan

- Will you have a dedicated presence across many of the popular online channels (*such as website, social media, relevant marketplace, etc*) used today to gain brand awareness?
- Will your marketing plan be primarily inbound focused (*such as SEO, social media, blogging, etc*), outbound focused (*such as PPC, affiliate marketing, sales teams, etc*), traditional focused (*such as direct mail, brochures, and print advertising*), or a mix of all three?
- What are other low-cost yet effective marketing mediums that you will leverage to get attention?
- What is your PR strategy? Why would the press be interested in your story?

Sales and distribution plan

- What channels will you use to get your product out there? Will you sell via your website, a retailer, wholesaler, or a totally different channel?
- How will customers pay for your product?
- What will your return policy look like? Will you offer any guarantees? If so, what will they look like?
- What happens after a customer makes a purchase? What type of customer support will you provide?

Having completed the four steps discussed, you are just one step away from having your marketing strategy ready. And that one step is ... review. Review everything you have noted and fine-tune it until you're satisfied. Your marketing strategy is now ready for incorporation into your business plan.

Chapter 11

Writing a Business Plan Operations Plan

This section explains how you plan to run the company day-in day-out. In other words, you will describe how you will go about creating and delivering your product or service.

The supply chain

Let's start with the workflow that you will have to deal with to make your ideas a reality. Some of the things you will want to touch on are as follows:

- **Suppliers:** Who will be providing you with all the materials that you won't be manufacturing yourself?
- **Facilities:** Where will you house your inventory (if any), or which office will you use for your operations?
- **Personnel:** How many staff will you require for your daily operations? What will their duties look like?
- **Equipment:** What tools and technology do you require to be up and running or to take your company to the next level? (*This could include everything from computers to office desks and everything in between*).
- **Shipping and fulfillment:** Here you will have to outline whether you will be handling all the deliveries on your orders or if you will be using a third-party fulfillment partner.
- **Inventory:** Here you will highlight how much you will keep on hand, where it will be stored, and how you will have it shipped to third-partners if applicable. Also, an important detail to note is how you will keep track of everything going in and out.
- **Customer support:** How will support requests, refunds, and customer complaints be considered and integrated in your business workflow?

The Production Process

- You will also need to give details of your entire production process, and that means answering the following questions:
- How long it will take you to produce a single unit or a predefined number of units?

- What measures have been put in place to integrate customer feedback into your product or service? As in, have you allotted time to create and test prototypes, pricing, or delivery mechanisms?
- How will you deal with major influxes in demand? That is, what procedures or steps will you have in place when you offer a sale and orders come flying in?

In essence, this section should signal to the reader that you have a good handle of running your business. It also passes the message that you have a contingency plan in place to account for uncertainty in the marketplace.

Chapter 12

Planning Your Business Growth Strategy

How do you plan your business growth strategy? How do you present your business growth strategy in a business plan so that investors can comprehend easily and sign the check? Well, this chapter is going to provide an in-depth guide on how to plan and present your business plan growth strategy.

Usually, businesses start small and then expand gradually. This runs true for most global brands. Unfortunately, most businesses that start small never get to leave the “small business” cadre; not even after 10 years. Why? The reason these businesses remain small is not because their owners love to keep them small, but because their owners didn’t plan a growth strategy from the outset.

While it is just normal to start your business as a small one, it’s just silly not to have a well planned growth strategy. Not having one simply means you have no plans of expanding your business (*and I am sure this isn’t the case*).

As a small business owner who really wants to expand, you should plan a growth strategy for your business. This strategy would demonstrate how you will introduce new products to the market, expand your customer base, and ultimately grow your business. More importantly, your growth strategy should outline how these moves will increase your sales.

A small business can grow in many ways. These include having multiple branches, reaching new customer bases, introducing new products, acquiring other businesses, and so on. Though you may not need all of these to grow your business, you should look into the options to find the most suitable ones you can include in your growth strategy. Here are the various business growth options that you can adopt for your small business:

How to Plan Your Business Growth Strategy

1. Open multiple locations

If yours is a retail business, outline in your business plan where you can open more showrooms and what your geographic strategy will be. Don't just open new shops randomly because you think your product is successful at one location.

2. Reach new clients

Granted, you have your target customers. But after reaching those customers, should you stay put? No. You should start looking for other customers who may as well be interested in your products or services. For example, if you are offering business-to-consumer products or services, consider business-to-business offers, too. This way, you will reach new clients and still retain old ones.

3. Introduce new products

Introducing new products is an obvious way to boost sales and grow your business. (*But this strategy is often poorly implemented*). Look at ways by which you can bring new products to your stable. Would they be variations of the products you are offering? Or would they be completely new offers? It's left to you.

4. Leverage the Internet

Consider growing your business using the internet. You can sell your product through your own corporate website or partner with an existing online retail store such as OLX.com, Jumia.co.ke. While it is not compulsory that you sell your offers online, your growth strategy should include an online element.

5. Decrease costs

The wider the gap between your income and expenditure, the faster your business will grow. Decreasing your costs is a smart way of widening this gap. As you go on with your business, you can take advantage of learning curves and economies of scale. Learning curves improve your efficiency with time. Economies of scale refer to a reduction in average cost over time because of factors such as buying power and managerial specialization.

6. Acquire other businesses

Acquisition is another option to consider when planning how to grow your business. However, you can only be realistic in this quest if your small business is well established and ready to expand into other markets. You have to address which companies would make ideal acquisition targets. Find companies that are a good fit for your product and methods of marketing and distribution methods, and that are very likely to present new opportunities for growth.

After studying the business growth options discussed above and choosing the ones you think will work for your business, here are the next steps to follow:

How to Present your Business Growth Strategy in a Business Plan

1. Explain the development options and opportunities in detail.
2. Review and document the financial requirements for each option.
3. Document the marketing strategies you will need to accomplish and nurture your chosen growth option.
4. Review the financial breakdown of internal or external capital and how the capital will be made available throughout the growth process.
5. Document a breakdown of other things that will be needed, expanded, or ditched.
6. Print your growth plan and review it regularly until you are ready to implement it.

Having a growth plan helps you keep your business on track and in line with the various options you may adopt in order to expand your business. It's like a compass that leads your business through the way to development.

Chapter 13

Business Plan Financial Projections

How do you prepare a business plan financial statement? Do you need help developing business plan financial projections? Do you need a business plan projections template? Then i advice you read on because this chapter is for you.

The financial statement is a distinct section of your business plan because it outlines your financial projections. A business lives and dies based on its financial feasibility and most importantly its profitability. Regardless of how hard you work or how much you have invested of your time and money, people, at the end of the day, only want to support something that can return their investments with profits.

Your executive summary may be brilliantly crafted, and your market or industry analysis may be the bomb. But your business plan isn't just complete without a financial statement to justify it with good figures on the bottom line.

Your financial statement is what makes or mars your chances of obtaining a bank loan or attracting investors to your business. Even if you don't need financing from a third party, compiling a financial statement will help you steer your business to success. So, before we dig further into how to prepare a financial statement, you need to understand what a financial statement is not.

What's the Difference Between a Financial Projection Statement and Accounting Statement?

However, you need to keep in mind that the financial statement is not the same as an accounting statement. Granted, a financial statement includes financial projections such as profit and loss, balance sheets, and cash flow, all of which makes it look similar to an accounting statement.

But the major difference between them is that an accounting statement deals with the past, while the financial projections statement of your business plan outlines your future spending and earnings. Having made this point clear, let's now look at the steps involved in preparing a financial statement for your business plan.

So what exactly do you have to include in this section? You will need to include three statements:

1. Income Statement
2. Balance Sheet
3. Cash-Flow Statement

Now, let's briefly discuss each.

Components of a Business Plan Financial Statement

- **Income statement**

This beautiful composition of numbers tells the reader what exactly your sources of revenue are and which expenses you spent your money on to arrive at the bottom line. Essentially, for a given time period, the income statement states the profit or loss (*revenue-expenses*) that you made.

- **Balance sheet**

The key word here is "*balance*," but you are probably wondering what exactly needs to be weighed, right? On one side you should list all your assets (*what you own*) and on the other side, all your liabilities (*what you owe*), thereby giving a snapshot of your net worth (*assets – liabilities = equity*).

- **Cash flow statement**

This statement is similar to your income statement with one important difference; it takes into account just when revenues are actually collected and when expenses are paid.

When the cash you have coming in (*collected revenue*) is greater than the cash you have going out (*disbursements*), your cash flow is said to be positive. And when the opposite scenario is true, your cash flow is negative. Ideally, your cash flow statement will allow you to recognize where cash is low, when you might have a surplus, and how to be on top of your game when operating in an uncertain environment.

How to Prepare a Business Plan Financial Projections Statement

Step 1 – Start by preparing a revenue forecast and a forecast profit and loss statement. Also, prepare supporting schedules with detailed information about your projected personnel and marketing costs. If your business has few fixed assets or it's just a cash business without significant receivables, you don't need a forecast balance sheet.

Step 2 – Using your planned revenue model, prepare a spreadsheet. Set the key variables in such a way that they can be easily changed as your calculations chain through. To ensure that your projected revenues are realistic and attainable, run your draft through a number of iterations. For each year covered in your business plan, prepare a monthly forecast of revenues and spending.

Step 3 – If you plan to sell any goods, then include a forecast of goods sold. This applies the most to manufacturing businesses. Give a reasonable estimate for this cost. And be of the assumption that the efficiency of your products would increase with time and the cost of goods sold as a percentage of sales will decline.

Step 4 – Quantify your marketing plan. Look at each marketing strategy you outlined in the business plan and attach specific costs to each of them. That is, if you are looking at billboard advertising, TV advertising, and online marketing methods such as pay-per-click advertising and so on; then you should estimate the cost of each medium and have it documented.

Step 5 – Forecast the cost of running the business, including general and administrative costs. Also, forecast the cost of utilities, rents, and other recurring costs. Don't leave out any category of expenses that is required to run your business. And don't forget the cost of professional services such as accounting and legal services.

Step 6 – In the form of a spreadsheet, forecast the payroll that outlines each individual that you plan to hire, the month they will start work, and their salary. Also include the percentage salary increases (due to increased cost of living and as reward for exemplary performance) that will come in the second and subsequent years of the forecast.

Additional tips for Writing a Business Plan Financial Statement

- Don't stuff your pages with lots of information, and avoid large chunks of text. Also, use a font size that is large enough. Even if these would spread out your statement into more pages, don't hesitate to spread it out. Legibility matters!
- After completing the spreadsheets in the financial statement, you should summarize the figures in the narrative section of your business plan.
- Put a table near the front of your financial statement that shows projected figures, pre-tax profit, and expenses. These are the figures you want the reader to remember. You can help the reader retain these figures in memory by including a bar chart of these figures, too.

As a final note, you should keep in mind that a financial statement is just an informed guess of what will likely happen in the future. In reality, the actual results you will achieve will vary. In fact, this difference may be very far from what you have forecast.

So, if your business is a start-up, prepare more capital than your projections show that you will need. Entrepreneurs have a natural tendency to project a faster revenue growth than what is realistic. So, don't let this instinct fool you.

Chapter 14

Your Business Exit Strategy Plan

Do you have a business exit strategy? What is your business exit strategy? If you are writing a business plan and you are yet to input your exit strategy, then you have not started. This chapter is going to help you write your business plan exit strategy.

Unless you are a joker business owner, chances are you came up with a solid business plan at the start of your business. I mean, you conducted your market analysis, and you developed strategies to plan and grow your business. If you really did all of that, then you are right on track.

But one thing you are less likely to have done is planning an exit strategy for your business. And you should do this as soonest as possible if you are yet to. Most people write plans on how to start a business but majority fail to write plans on how to exit their business. What happens to your business if eventually you die today or get involved in a ghastly accident that incapacitates you? Now I know that nobody prays for bad events or circumstances but one reality of life is that you can never know what's coming ahead of you. The same holds true in business.

“Prepare for bad times and you will only know good times.” – Robert Kiyosaki

So just as you had a plan for starting your business, you should also have an exit strategy for transforming your business into cash, should in case you lose interest in the business or run into problems later. Without wasting time, here are the four commonest exit strategies you can choose from and incorporate in your business plan:

1. Initial public offering (IPO)

Taking your business public is a very expensive and time consuming exit strategy, as it usually attracts huge accountant and attorney fees. But it can be very rewarding. Offering your business to the public has one simple implication: you are no longer the boss, your stakeholders

are. And you will be giving reports about the business to the board of directors and stakeholders. If you just cannot afford to let go of your business (*by selling it*), then you can relinquish a portion of your shares by taking it public. However, this exit strategy is not recommended if your business doesn't value up to Ksh.100 million. In that case, consider other exit strategies.

2. Sell your business

Selling a business to another individual or company is the most common exit strategy for any business owner. This option is very easy because it can be conducted between the two parties involved without all the government regulations and oversight that comes with an IPO. As expected, if you decide to sell your business, you will be receiving cash in exchange for it.

But valuing your company is the trickiest part of any sale; as sometimes, knowing the right amount to sell your business for can be very difficult. One way to avoid selling your business for less is to get more than one appraisal of the business (*seek out some business appraisal companies to help you with this*). This way, you will be confident that you are selling for the right price.

If you are concerned about how the business would fare after you have sold it (*though this isn't binding on you*), you'd want to sell only to a buyer that knows and understands the business and has the experience to carry on the brand's legacy. And, depending on the closeness between you and the buyer, you can agree on payment by installments.

3. Acquisitions and mergers

Even though acquisitions and mergers are commonly used interchangeably, there is a slight difference between both terms.

An acquisition occurs when one business acquires another business. For example, *Company A buys Company B and still continues running under the name of Company A but now has the strength and value of both companies combined.*

A merger, on the other hand, occurs when two businesses come together to continue as a single company. A change of name usually happens after a merger. For example, *Company A and Company B merge to form a new company called Company A-B*. Most of the time, businesses that engage in a merger or acquisition are in the same industry and see multiple benefits in merging together or acquiring one another.

When you decide to go into a merger or acquisition deal, you can negotiate price and terms. You can request that your employees (*if you have any*) be kept on for a certain period or that your management team be retained. You can also negotiate final and annual payouts. If you cannot handle these negotiations yourself, hiring an agency would be your best bet.

4. Liquidate your assets

This is the least desirable of all exit strategies, but sometimes the most necessary. This strategy can quickly bring in a lump of cash, and it doesn't involve any negotiations or losing control of your business. You simply close the business and end it. If you like, you can decide to resuscitate it again some other time.

Most of the time, business owners liquidate their assets because of huge debts. In such cases, the proceeds from the sales of assets are used for settling debts, and the remainder (*if there's any*) would be taken by you or divided among your shareholders. Liquidating your business may usually include selling your office building, office furniture and electronics, company cars, and other assets. Usually, you would sell at market price, and you may not make much profit.

In conclusion, even if you don't plan to sell your business in the future, keep in mind that circumstances may force you to do just that. And you will end up badly burned if you end up doing it the wrong way. So, choose the most appropriate exit strategy for your business and structure it carefully. This way, even if you lose your business later, you will lose gladly.

Conclusion

As you can see, writing a business plan is no easy task. But after having read this eBook, you should now understand that it is well worth the effort. Aside that it better prepares you to deal with some of the shortfalls any entrant into a new market will experience, a business plan gives you a leg up on your competition through better research and insights gained from the process. If you follow each step as outlined in this eBook, you will be able to come up with a business plan that will market your idea to investors / lenders in the best way.

Chapter 15

How to Present a Business Plan with PowerPoint

The world is filled with brilliant ideas but unfortunately, not all business ideas will get the required funding.

Are you in the process of raising capital? Do you want to know what it takes to do a business plan presentation and walk away with the money you need? Do you want to learn how to present a business plan with PowerPoint? Then read on.

Raising capital is one of the toughest challenges entrepreneurs face in business. Writing a business plan is one thing, doing a business plan presentation to investors is another thing and walking away with the needed capital is the ultimate achievement. Now how do you increase your chances of getting the needed financing? Well, the answer is to do your business plan presentation with PowerPoint.

PowerPoint is an efficient way to present anything including a business plan. In the game of business presentations, one key fact that the audience look out for is the simplicity of the information shared. If you are dealing with investors, they would want to see the workability of the business idea and every other details of the project. A good way to help your audience understand and appreciate the message you are trying to get across to them is to use a PowerPoint. Considering that you have a plan that you need to show to the board of director, group of investors or your business team, here is how to present a business plan with PowerPoint.

List of Equipment you need for a business plan presentation

- Lecture stick
- Laptop or desktop computer or tablet PC
- Whiteboard
- Projector
- Microsoft PowerPoint software

How to Present a Business Plan with PowerPoint

The Content of a Business Plan

What should you include if you are tasked to present a business plan with PowerPoint? Well, you are to start by creating a slide with the name of the company and the term “*business plan*.” Follow it with a slide containing the mission statement. Your presentation may also include the leaders of the company. Put a slide dedicated to the past, present and future market. Be sure to include the following in your business plan presentation with PowerPoint:

- Competition analysis
- Opportunities
- Business concept
- Financial plan
- Goals and objectives
- Resources, rewards and risks
- Long term and short term issues.

It will be easier if you have this written, printed or saved in a digital format like .doc.

Creating a PowerPoint Presentation

Open the PowerPoint program and create a new presentation. You can find templates for the title and content. You can choose to add a slide showing one or more of the following:

- Text
- Table
- Graph
- Picture
- Video clip

If you want to present a business plan with PowerPoint and you have digital copy of the plan in Word or other formats, you can just use the Copy and Paste function. You might need to do some modifications if you want to. You can easily re-arrange the slides depending on which

you want to show first. Do this once you have already put everything you want to include such as texts, graphs or tables.

After arranging the slides, you can choose a transition effect. Currently, there are numerous options on how you can go from the first slide to the next. The most common slide transitions are fade, dissolve, wipe, and push. If you prefer push, you can choose to which direction the second slide would push the first one. You can also add transition sound effects like wind, cash register or click, although these could be disturbing when you are about to formally present a business plan with PowerPoint.

In addition, you can animate how each part of every slide is presented. Go to Custom Animation to add effect on each element of the slide. For instance, the title can fly in before the rest of the text appears with “*blinds*” effect. You can even choose an animation for exit. You can also choose if the animation will start with a click on the mouse, with the previous or after the previous. It is best to choose “*on click*” if you are going to present a business plan with PowerPoint so the presentation will go on only when you want it to. Be sure to preview and save the PowerPoint presentation.

Be a Confident Presenter

When you already have the presentation, you may also want to rehearse on how you would present a business plan with PowerPoint. Look confident and don't forget to stand properly and speak loudly. Producing a good business plan and PowerPoint presentation will not achieve the desired goal if you are not convincing enough. You must prove to your audience that you prepared the presentation, and a good way to do this is to master the content of your business plan off hand. You must also answer every question posed to you without leaving doubts in the minds of your audience.

Bonus Chapter

Sample Business Plan Template

Do you want to learn how to write a business plan for small business? Do you need a sample business plan template? Or you just need a complete small business plan format or outline? Then i advice you read on.

With the recent increase in global entrepreneurship awareness, many business owners and aspiring entrepreneurs are beginning to recognize the importance of a business plan to a startup company or business. However, the challenge still remains how to develop a business without breaking the bank and spending too much on consultants. Well, the only way to get a winning business plan without spending too much money on a business consultant is to write the business plan yourself.

Now for those who are willing to invest time and effort to write a business plan for their company, i will be sharing with you a practical sample business plan format and outline. It outlines everything that I covered in the my previous chapters with respect to writing a business plan that attract investors, so seat back, read and digest.

A Complete Example and Sample Business Plan Template, Format and Outline

Noble Ernest Poultry Farms, LLC Business Plan

Table of Content

1. Executive Summary
2. Market Analysis
3. SWOT Analysis
4. Financial Projection
5. Marketing Plan
6. Marketing ideas & Strategies

EXECUTIVE SUMMARY

Business Overview

The agricultural industry of which poultry farming and egg production is a subset of is no doubt among the leading industry in most countries of the world; it is the industry that produces chicken and eggs for the populace. Because of the significant role the agriculture sector plays, the government of most countries ensures that they go all the way to subsidize seedlings, fertilizers, and farming implements and machinery for farmers and also encourage entrepreneurs to go into commercial farming (poultry farming inclusive).

Hens, various birds, quails, guinea fowls, ducks etc are all birds that can be comfortably reared in a poultry farm. Chicken and birds are widely consumed in all parts of the world hence there is a large market for poultry farmers. If you are looking towards starting a livestock breeding business, then one of your options is to settle for poultry farming.

Poultry farming is a highly thriving and profitable business venture. Aside from the fact that people consume birds and chickens etc, supply of eggs is also a major source of revenue generation for poultry farmer. Players in the poultry farming and egg production industry basically raise chickens for meat, and egg production. The eggs produced may be sold for use as table eggs or hatching eggs.

The Poultry Farm and Egg Production Company Industry is indeed a very large industry and pretty much thriving in all parts of the world

Statistics has it that in Kenya alone, there are about 3,000 licensed and registered poultry farm and egg production farms directly responsible for employing about 5,800 employees and indirectly responsible for employing roughly 15,900.

The industry rakes in a whopping sum of Ksh.1.7 billion annually with an annual growth rate projected at 6.1 percent. It is important to state that the establishments with a lion share of the available market in this industry are Muguku Farm, Ken Chick, Ecochicks Poultry Ltd and Ziwani Poultry.

Statistics also has it that an estimate of about 35 companies are involved in the business of raising, processing and marketing chickens on a commercial level; they export chickens, processed chickens and eggs to other countries of the world.

It is on record that Kenyans consume more chicken than anyone else in eastern Africa – more than 40 pounds per capita in 2016 – the number one protein consumed in Kenya. So also, in 2016, almost 0.8 billion broiler chickens, weighing 0.7 billion pounds, live – weight, were produced. More than 1.6 billion pounds of chicken product was marketed, measured on a ready-to-cook basis.

Kenya has the largest broiler chicken industry in East Africa, and about 19 percent of egg and chicken production was exported to other countries in 2016. Research conducted shows that the top 5 broiler producing counties in Kenya are Kiambu, Nairobi, Mombasa and Kisumu.

If you are looking towards leveraging on the agriculture industry to generate huge income, then one of your best bet is to start a poultry farm and egg production business. One thing is certain about starting poultry farming and egg production business, if you are able to conduct your market research and feasibility studies, you are more likely not going to struggle to sell your eggs and chickens because there are always food processing companies and consumers out there who are ready to buy from you.

MARKET ANALYSIS

Market Trends

The Poultry and Chicken Egg Production industry has greatly benefited from campaigns advertising the health benefits of chickens and eggs as a good source of protein. No doubt, the increased demand of chicken and eggs from households and food related businesses and of course the growing popularity of specialty and processed eggs have rapidly improved revenue growth for the industry.

In the face of this growth, profit margin has suffered from rising feed costs and also regulations regarding animal welfare. As a matter of fact, one of the new trends is that with the

recent advancement in technology, poultry farmers can now comfortably predict and produce the quantities of chickens / birds and eggs per time.

Our Target Market

Naturally, the target market are those who are the end consumer of commercial poultry farm produce and also those who benefits from the business value chain of the poultry farming and egg production industry is all encompassing; it is far – reaching.

Every household consumes produce from commercial poultry farms be it chicken or egg. So also almost all hotels and fast restaurants sell chicken and eggs. In essence a commercial poultry farmer should be able to sell his or her chicken and eggs to as many people as possible.

In view of that, we have positioned our business to attract consumers of chickens and eggs not just in Kenya alone but also other parts of Eastern Africa. We have conducted our market research and survey and we will ensure that we meet and surpass the expectations we set for the business.

Below is a list of the people and business that we will market our chickens and eggs to;

- Households
- Individuals
- Hotels
- Restaurants
- Fast food eateries
- Agriculture merchants

Our Competitive Advantage

It is easier to find entrepreneur flocking towards an industry that is known to generate consistent income which is why there are more commercial poultry farmers in Kenya and of course in most parts of the world.

For example, Statistics has it that there are 40,000 poultry farms in Kenya, covering an area of 22,000 acres. These goes to show that there are appreciable numbers of farmers in Kenya but that does not mean that there is stiffer competition in the industry.

As a matter of fact, entrepreneurs are encouraged by the government to embrace commercial farming cum poultry farming and egg production business. This is so because part of the success of any nation is her ability to cultivate her own food and also export foods to other nations of the world.

Noble Ernest Poultry Farms, LLC is fully aware that there are competitions when it comes to selling commercial farm produce all over the globe, which is why we decided to carry out thorough market research so as to know how to take advantage of the available market in Kenya and in other parts of Eastern Africa.

We have done our homework and we have been able to highlight some factors that will give us competitive advantage in the marketplace; some of the factors are effective and reliable poultry farming and egg production processes that can help us sell our produce at competitive prices, good network and excellent relationship management.

Another competitive advantage that we are bringing to the industry is the fact that we have healthy relationships with loads of major players (agriculture merchants) in the industry; both suppliers of poultry feeds and medications and buyers of chickens and eggs within and outside of Kenya.

We have some of the latest commercial poultry farming hatchery, tools and equipment that will help us raise and produce eggs in commercial quantities with less stress. Aside from our relationship (network) and equipment, we can confidently boast that we have some the most experienced hands in Wangige, Kiambu County in our payroll.

Lastly, all our employees will be well taken care of, and their welfare package will be among the best within our category (startups commercial poultry farms and egg production companies in Kenya) in the industry. It will enable them to be more than willing to build the business with us and help deliver our set goals and achieve all our business aims and objectives.

SALES AND MARKETING STRATEGY

We are quite aware that the reason why some commercial poultry farms and egg production companies hardly make good profits is their inability to sell off their chickens and eggs as at when due. Our sales and marketing team will be recruited based on their vast experience in the poultry farming and egg production industry and they will be trained on a regular basis so as to be well equipped to meet their targets and the overall business goal of Noble Ernest Poultry Farms, LLC.

Over and above, we have perfected our sale and marketing strategies first by networking with agriculture merchants and businesses that rely on daily supply of chicken and eggs from the poultry farms and egg production industry that are likely to become our customers.

In summary, Noble Ernest Poultry Farms, LLC will adopt the following strategies in marketing our commercial farm produce;

- Introduce our business by sending introductory letters alongside our brochure to stake holders in the agriculture industry, households, hotels and restaurants and agriculture produce merchants etc.
- Advertise our business in agriculture and food related magazines and websites
- List our commercial poultry farms and egg production business on yellow pages ads
- Attend related agriculture and food expos, seminars, and business fairs et al
- Leverage on the internet to promote our business
- Engage in direct marketing
- Encourage the use of word of mouth marketing (referrals)

Our Pricing Strategy

Some of the factors that will help you sell your farm produce at the right price that will guarantee that you make profits is dependent on your strategy while some of the factors are beyond your control. For example, if the climatic condition is unfavorable and if there is natural disaster in the location where you have your commercial poultry farm, then it will directly affect the prices of your chicken and eggs.

Over and above, if you want to get the right pricing for your chicken and eggs, then you should ensure that you choose a good location for commercial poultry farm, choose a good breed that will guarantee bountiful harvest, cut the cost of running your poultry farm to the barest minimum and of course try as much as possible to attract buyers to your poultry farm as against taking your eggs and chickens to the market to source for buyers; with this, you would have successfully eliminate the cost of transporting the goods to the market and other logistics.

We are quite aware that one of the easiest means of penetrating the market and acquiring loads of customers for all our eggs and chickens is to sell them at competitive prices hence we will do all we can to ensure that the prices of our poultry farm produces are going to be what other commercial poultry farmers would look towards beating.

One thing is certain; the nature of commercial poultry farming makes it possible for poultry farmers to place prices for their eggs and chicken based on their discretion without following the benchmark in the industry. The truth is that it is one of the means of avoiding running into loss.

Payment Options

The payment policy adopted by Noble Ernest Poultry Farms, LLC is all inclusive because we are quite aware that different customers prefer different payment options as it suits them but at the same time, we will ensure that we abide by the financial rules and regulation of Kenya.

Here are the payment options that Noble Ernest Poultry Farms, LLC will make available to her clients;

- Payment via bank transfer
- Payment with cash
- Payment via online bank transfer and Mobile payment
- Payment via check
- Payment via bank draft

In view of the above, we have chosen banking platforms that will enable our client make payment for farm produces purchase without any stress on their part. Our bank account numbers

will be made available on our website and promotional materials to clients who may want to deposit cash or make online transfer for chickens and eggs.

Publicity and Advertising Strategy

Any business that wants to grow beyond the corner of the street or the city they are operating from must be ready and willing to utilize every available means (both conventional and non – conventional means) to advertise and promote the business. We intend growing our business which is why we have perfected plans to build our brand via every available means.

We know that it is important to create strategies that will help us boost our brand awareness and to create a corporate identity for our commercial poultry farm and egg production business. Below are the platforms we will leverage on to boost our commercial poultry farm and production brand and to promote and advertise our business;

- Place adverts on community based newspapers, radio stations and TV stations.
- Encourage the use of word of mouth publicity from our loyal customers
- Leverage on the internet and social media platforms like; YouTube, Instagram, Facebook ,Twitter, LinkedIn, Snapchat, Badoo, Google+ and other platforms to promote our business.
- Ensure that our we position our banners and billboards in strategic positions all around Kiambu and Nairobi County
- Distribute our fliers and handbills in target areas in and around our neighborhood
- Contact corporate organizations, households, landlord associations and schools by calling them up and informing them of Noble Ernest Poultry Farms, LLC and the poultry produce we sell
- Advertise our business in our official website and employ strategies that will help us pull traffic to the site
- Brand all our official cars and trucks and ensure that all our staff members and management staff wears our branded shirt or cap at regular intervals.

Generating Funding / Startup Capital for Noble Ernest Poultry Farms, LLC

No matter how fantastic your business idea might be, if you don't have the required money to finance the business, the business might not become a reality. Finance is a very important factor when it comes to starting a business such as commercial poultry farming. No doubt raising start – up capital for a business might not come cheap, but it is a task that an entrepreneur must go through.

Noble Ernest Poultry Farms, LLC is a family business that is solely owned and financed by Ernest Karanja and his immediate family members. We do not intend to welcome any external business partner, which is why he has decided to restrict the sourcing of the start – up capital to 3 major sources.

These are the areas we intend generating our start – up capital;

- Generate part of the start – up capital from personal savings
- Source for soft loans from family members and friends
- Apply for loan from my Bank

N.B: We have been able to generate about **Ksh.15,000,000** (Personal savings **Ksh.10,000,000** and soft loan from family members **Ksh.5,000,000**) and we are at the final stages of obtaining a loan facility of **ksh.35,000,000** from our bank. All the papers and document have been signed and submitted, the loan has been approved and any moment from now our account will be credited with the amount.

Sustainability and Expansion Strategy

The future of a business lies in the numbers of loyal customers that they have the capacity and competence of the employees, their investment strategy and the business structure. If all of these factors are missing from a business (company), then it won't be too long before the business close shop.

One of our major goals of starting Noble Ernest Poultry Farms, LLC is to build a business that will survive off its own cash flow without the need for injecting finance from external sources once the business is officially running. We know that one of the ways of gaining approval and winning customers over is to retail our chickens and eggs a little bit cheaper than

what is obtainable in the market and we are well prepared to survive on lower profit margin for a while.

Noble Ernest Poultry Farms, LLC will make sure that the right foundation, structures and processes are put in place to ensure that our staff welfare are well taken of. Our company's corporate culture is designed to drive our business to greater heights and training and re – training of our workforce is at the top burner.

As a matter of fact, profit-sharing arrangement will be made available to all our management staff and it will be based on their performance for a period of six years or more. We know that if that is put in place, we will be able to successfully hire and retain the best hands we can get in the industry; they will be more committed to help us build the business of our dreams.

Check List / Milestone

- Business Name Availability Check: **Completed**
- Business Registration: **Completed**
- Opening of Corporate Bank Accounts: **Completed**
- Securing Point of Sales (POS) Machines: **Completed**
- Opening Mobile Money Accounts: **Completed**
- Opening Online Payment Platforms: **Completed**
- Application and Obtaining Tax Payer's ID: **In Progress**
- Application for business license and permit: **Completed**
- Purchase of Insurance for the Business: **Completed**
- Leasing of farm land and building of standard poultry (cages): **In Progress**
- Conducting Feasibility Studies: **Completed**
- Generating capital from family members: **Completed**
- Applications for Loan from the bank: **In Progress**
- Writing of Business Plan: **Completed**
- Drafting of Employee's Handbook: **Completed**
- Drafting of Contract Documents and other relevant Legal Documents: **In Progress**
- Design of The Company's Logo: **Completed**
- Graphic Designs and Printing of Packaging Marketing / Promotional Materials: **In Progress**
- Recruitment of employees: **In Progress**

- Purchase of the Needed furniture, racks, shelves, computers, electronic appliances, office appliances and CCTV: **In Progress**
- Creating Official Website for the Company: **In Progress**
- Creating Awareness for the business both online and around the community: **In Progress**
- Health and Safety and Fire Safety Arrangement (License): **Secured**
- Opening party / launching party planning: **In Progress**
- Compilation of our list of products that will be available in our store: **Completed**
- Establishing business relationship with vendors – key players in the industry: **In Progress**

Wow! That was a sample of a business plan. It's supposed to be detailed but for the purpose of this eBook i had to summarize it.

We have now come to the end of this eBook, please do whatsapp me on my number **0798460333** and give me your feedback about this eBook. I will greatly appreciate your feedback.

