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***Business Plans Kit***  
FOR  
**DUMMIES®**  
3RD EDITION

**by Steven D. Peterson, PhD, Peter Jaret,  
Barbara Findlay Schenck**



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## ***Dedication***

This book is dedicated to all those budding entrepreneurs who have the courage and perseverance to take a good idea and turn it into a great business venture — thanks to the help of a solid business plan.

— Steven D. Peterson, Peter Jaret and Barbara Findlay Schenck

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# Contents at a Glance

---

<b><i>Introduction</i></b> .....	<b>1</b>
<b><i>Part I: Building a Strong Foundation for Your Plan</i></b> .....	<b>7</b>
Chapter 1: Starting Your Planning Engine .....	9
Chapter 2: Generating a Successful Business Idea .....	31
Chapter 3: Defining Your Business Purpose.....	51
<b><i>Part II: Developing Your Plan's Components</i></b> .....	<b>77</b>
Chapter 4: Understanding Your Business Environment .....	79
Chapter 5: Charting Your Strategic Direction .....	109
Chapter 6: Describing Your Business and Its Capabilities .....	131
Chapter 7: Crafting Your Marketing Plan.....	153
Chapter 8: Tallying Up Your Financial Situation.....	173
<b><i>Part III: Tailoring a Business Plan to Fit Your Needs</i></b> .....	<b>199</b>
Chapter 9: Planning for a One-Person Business.....	201
Chapter 10: Planning for a Small Business .....	219
Chapter 11: Planning for an Established Business .....	231
Chapter 12: Planning for a Nonprofit Organization .....	245
Chapter 13: Planning in an Online World.....	261
<b><i>Part IV: Making the Most of Your Plan</i></b> .....	<b>277</b>
Chapter 14: Putting Your Plan Together.....	279
Chapter 15: Putting Your Plan to Work.....	297
<b><i>Part V: The Part of Tens</i></b> .....	<b>315</b>
Chapter 16: Ten Signs That Your Plan May Need an Overhaul.....	317
Chapter 17: Ten Ways to Fund Your Business Plan .....	323
Chapter 18: Ten Ways to Evaluate a New Business Idea .....	329
Chapter 19: Ten Questions to Ask Before You Finish Your Business Plan .....	333
<b><i>Appendix: About the CD</i></b> .....	<b>337</b>
<b><i>Index</i></b> .....	<b>345</b>



---

# Table of Contents

---

## ***Introduction* ..... 1**

About This Book.....	1
Why This Book Is for You.....	2
Conventions Used in This Book.....	2
How This Book Is Organized.....	2
Part I: Building a Strong Foundation for Your Plan.....	3
Part II: Developing Your Plan's Components.....	3
Part III: Tailoring a Business Plan to Fit Your Needs.....	3
Part IV: Making the Most of Your Plan.....	4
Part V: The Part of Tens.....	4
About the CD.....	4
Icons Used in This Book.....	4
Where to Go from Here.....	5

## ***Part I: Building a Strong Foundation for Your Plan* ..... 7**

### **Chapter 1: Starting Your Planning Engine . . . . . 9**

Understanding Your Starting Position.....	9
Planning for a start-up.....	10
Planning to address changing conditions.....	10
Planning to seize growth opportunity.....	10
Committing to the Business-Planning Process.....	11
Defining your business-planning situation.....	11
Buying into the value of business planning.....	12
Making a wish list for your business plan.....	15
Identifying Target Audiences and Key Messages.....	16
Your audience.....	17
Your message.....	17
Business planning as a test drive.....	18
The Anatomy of a Business Plan.....	20
Business-plan contents from beginning to end.....	20
Frequently asked business-plan questions.....	22
Establishing Your Plan's Time Frame.....	23
Committing to a schedule.....	23
Defining milestones.....	23
Preparing for the Real World.....	25
Locating informative resources.....	25
Seeking expert advice.....	26
Sharing the load.....	27
Staying on track.....	27
Forms on the CD-ROM.....	29



**Chapter 2: Generating a Successful Business Idea . . . . . 31**

Brainstorming Business Ideas..... 31  
    Hatching plans for a new product or service..... 32  
    Using the do-it-yourself idea blender ..... 32  
    Seeking creative solutions to tough challenges..... 35  
    Inspiring team creativity (with or without donuts or bagels) ..... 36  
    Finding business ideas within your work environment..... 38  
Identifying Business Opportunities..... 40  
    Listening to what customers have to say ..... 40  
    Spotting changes that open up new opportunities ..... 41  
    Putting your business ideas through a first test..... 41  
    Narrowing your choices..... 42  
Doing Your First Reality Check..... 45  
    Getting a second opinion..... 45  
    Conducting a self-appraisal ..... 46  
Forms on the CD-ROM..... 49

**Chapter 3: Defining Your Business Purpose . . . . . 51**

Knowing What Business You're In ..... 52  
    How would I describe my business? ..... 52  
    Where's the money? ..... 53  
Giving Your Company Its Mission ..... 55  
    Asking basic questions..... 56  
    Framing your mission..... 56  
    Crafting your mission ..... 58  
    Fixing a weak or ineffective mission statement ..... 59  
    Putting your mission to work..... 59  
Setting Goals and Objectives ..... 62  
    Approach #1: Tying goals to your mission..... 63  
    Approach #2: Using goal-setting ACES ..... 64  
    Approach #3: Covering all the bases..... 64  
    Making final choices ..... 66  
Exploring Values and Vision ..... 67  
    Uncovering values you already hold..... 69  
    Writing a values statement..... 69  
    Writing a vision statement..... 72  
Putting Your Principles into Practice ..... 73  
Forms on the CD-ROM..... 74

***Part II: Developing Your Plan's Components . . . . . 77***

**Chapter 4: Understanding Your Business Environment . . . . . 79**

Zooming In on Your Industry ..... 80  
    Seeing your industry's big picture..... 80  
    Paying the price of admission..... 83

Defining Your Customers.....	84
Developing your customer profile.....	84
Conducting customer research.....	86
Sharpening your customer focus.....	90
Describing your ideal customer.....	93
Segmenting customers into buyer groups.....	94
Doing business with business customers.....	96
Defining and Addressing Market Shifts.....	98
Charting market growth patterns.....	98
Tracking buyer tastes and trends.....	99
Sizing Up Your Competition.....	100
Using cloak-and-dagger methods.....	101
Identifying your stealth competitors.....	101
Staying a step ahead.....	103
Greening Your Business.....	105
Forms on the CD-ROM.....	106

## **Chapter 5: Charting Your Strategic Direction . . . . . 109**

Assessing Your Capabilities Against the Opportunities and Threats You Face.....	109
Sizing up your strengths and weaknesses.....	110
Identifying opportunities and threats.....	114
Conducting a SWOT analysis.....	115
Defining Your Business Model.....	117
Staying in the black.....	118
Getting entrepreneurial about nonprofits.....	120
Timing your expenses and income.....	120
Generating and collecting revenue.....	120
Pricing yourself into the market.....	121
Planning to control costs.....	122
Creating a business model that works.....	122
Charting Your Future.....	124
Understanding your options.....	124
Planning for growth.....	125
Outlining an Exit Strategy.....	125
Forms on the CD-ROM.....	129

## **Chapter 6: Describing Your Business and Its Capabilities. . . . . 131**

Introducing Your Business.....	131
What is it you're selling, anyway?.....	132
How do you prepare an elevator speech?.....	134
Describing Your Business Capabilities.....	137
Research and development.....	137
Operations.....	139
Distribution and delivery.....	140
Management.....	142
Organization.....	143

Changing Your Business Focus.....	147
Making product changes.....	147
Moving your business.....	148
Revamping your operations and processes.....	148
Altering distribution channels.....	149
Staying Focused on What You Do Best.....	150
Forms on the CD-ROM.....	151

## **Chapter 7: Crafting Your Marketing Plan.....153**

Marketing at a Glance.....	153
The big marketing picture.....	154
The nuts and bolts of a marketing plan.....	154
Analyzing Your Market Situation.....	155
Getting a handle on your market.....	156
Assessing your competition.....	157
Forecasting your business climate.....	158
Setting Marketing Goals and Objectives.....	159
Defining Your Position and Brand.....	160
Targeting Your Efforts.....	162
Designing Marketing Strategies.....	162
Your product strategy.....	163
Your distribution strategy.....	164
Your pricing strategy.....	165
Your promotion strategy.....	168
Planning Your Internet Footprint.....	168
Forms on the CD-ROM.....	171

## **Chapter 8: Tallying Up Your Financial Situation.....173**

Decoding Financial Terminology.....	173
Putting Together an Income Statement.....	174
Reviewing a sample income statement.....	175
Now it's your turn: Creating your income statement.....	178
Creating Your Balance Sheet.....	178
Reviewing a sample balance sheet.....	179
Now it's your turn: Building your balance sheet.....	186
Constructing a Cash-Flow Statement.....	186
Section 1: Total funds in.....	187
Section 2: Total funds out.....	187
Section 3: Net change in cash position.....	190
Section 4: Changes in liquid assets.....	190
Section 5: Net change in cash position.....	190
Now it's your turn: Creating your cash-flow statement.....	191
Forecasting and Budgeting.....	191
Your financial forecast.....	193
Planning for that rainy day.....	194
The master budget.....	196
Forms on the CD-ROM.....	197

**Part III: Tailoring a Business Plan to Fit Your Needs... 199**

<b>Chapter 9: Planning for a One-Person Business</b> .....	<b>201</b>
Having What it Takes to Succeed in a One-person Business .....	202
Planning for success.....	203
Avoiding legal hassles .....	204
Putting a price on what you do .....	205
Treating your business like a business .....	212
Tailoring a Business Plan to Fit Your One-Person Enterprise .....	213
Company overview .....	214
Business environment.....	214
Company description and strategy .....	216
Financial review .....	216
Action plan.....	217
Forms on the CD-ROM.....	217
<b>Chapter 10: Planning for a Small Business</b> .....	<b>219</b>
Recognizing the Importance of a Plan .....	220
Preparing Your Small Business Plan .....	220
Analyzing your business location and the surrounding environment .....	221
Defining your business and its purpose .....	222
Plotting your business strategy .....	223
Clarifying your financial situation.....	223
Establishing your action plan.....	225
Keeping an Eye on the Business Horizon .....	225
Growing — or Not Growing — Your Small Business.....	227
Keeping It in the Family .....	228
Forms on the CD-ROM.....	229
<b>Chapter 11: Planning for an Established Business</b> .....	<b>231</b>
Purpose-Driven Planning .....	232
Planning to Raise Capital .....	232
Bank financing .....	232
Investor capital .....	233
Planning to Grow Your Business .....	234
Planning in Times of Trouble.....	235
Diagnosing your problems.....	235
Getting a second opinion.....	237
Analyzing your current situation.....	237
Charting a Turnaround .....	238
Keeping an eye on the clock.....	239
Focusing on what's doable .....	240
Getting the right people in the loop .....	240
Using your plan to communicate.....	241
Planning for a Merger or Sale.....	241
Assessing the transferability of your business .....	241

Planning for a change in leadership .....	242
Forms on the CD-ROM.....	243
<b>Chapter 12: Planning for a Nonprofit Organization .....</b>	<b>245</b>
Running a Nonprofit Like a Business .....	246
Fine-tuning your mission and vision .....	246
Creating the appropriate structure .....	248
Setting goals and objectives .....	249
Organizing to Do Good Work .....	251
Operations .....	252
Organization .....	253
Management .....	253
Research and development (R&D) .....	255
Keeping the Books.....	256
Finding funding.....	256
Tailoring your plan to big donors.....	257
Managing overhead .....	258
Putting working cash to work .....	258
Staying accountable .....	259
Marketing and Promoting Your Nonprofit .....	259
Forms on the CD-ROM.....	260
<b>Chapter 13: Planning in an Online World.....</b>	<b>261</b>
Avoiding the Well-Traveled Bumps on the Cyber Highway .....	262
Web presence isn't an all-or-nothing proposition .....	262
E-business planning is a continuous process .....	262
Successful strategy depends on a business model .....	263
Ironing Out Pressing Planning Issues.....	264
Creating an Online Customer Profile .....	266
Building an Internet Business .....	267
Establishing your value proposition .....	267
Constructing a workable e-business model.....	270
Getting funded.....	270
Adding an Internet Extension to Your Brick-and-Mortar Business .....	273
Retailing online.....	274
Budgeting for your online presence .....	274
Tapping into the power of social networks.....	275
Forms on the CD-ROM.....	276
 <b>Part IV: Making the Most of Your Plan.....</b>	 <b>277</b>
<b>Chapter 14: Putting Your Plan Together.....</b>	<b>279</b>
Making a List and Checking It Twice.....	280
Locating Additional Resources.....	282
The bookstore .....	282
The Web .....	284
Business software.....	285



Expert advice.....	285
Self-help.....	286
Assembling Your Planning Team.....	287
Delegating responsibilities .....	287
Setting the ground rules.....	288
Putting first things last.....	289
Keeping track of it all.....	289
Targeting Your Plan to Key Audiences .....	290
Identifying your stakeholders .....	291
Addressing more than one audience.....	291
Creating alternate versions of your plan .....	293
Fitting the Pieces Together .....	294
Planning Ahead .....	295
Forms on the CD-ROM.....	295

### **Chapter 15: Putting Your Plan to Work . . . . . 297**

Organizing Your Company around Your Business Plan.....	297
Form meets function .....	298
Duties and responsibilities .....	299
Systems and procedures.....	300
Getting Team Buy-In.....	303
Distributing your plan .....	303
Leading effectively.....	304
Sharing the vision .....	305
Encouraging pride of ownership.....	305
Developing employee skills .....	307
Nurturing Tomorrow's Leaders .....	308
Keeping Your Plan Current .....	309
Monitoring your situation.....	310
Encouraging feedback.....	311
Planning for change.....	312
Forms on the CD-ROM.....	313

## ***Part V: The Part of Tens* . . . . . 315**

### **Chapter 16: Ten Signs That Your Plan May Need an Overhaul . . . . . 317**

Costs Rise, Revenues Fall .....	317
Sales Figures Head South.....	318
You Don't Meet Financial Projections.....	318
Employee Morale Sags .....	319
Key Projects Fall Behind Schedule.....	319
New Competitors Appear .....	319
Technology Shakes Up Your World .....	320
Important Customers Defect.....	320
Business Strategy Does a 180.....	320
Growth Is Out of Your Control.....	321

<b>Chapter 17: Ten Ways to Fund Your Business Plan . . . . .</b>	<b>323</b>
Your Own Pocket.....	323
Friends and Family .....	324
Prospective Customers.....	324
A Bank Loan.....	324
A Commercial Line of Credit.....	325
Equipment Leasing.....	325
A Small Business Administration (SBA) Loan.....	326
Deep-Pocket Partners.....	326
Venture Capital .....	326
Angel Money.....	327
<b>Chapter 18: Ten Ways to Evaluate a New Business Idea . . . . .</b>	<b>329</b>
Is This Something I Really Want to Do? .....	329
Is This Something I'm Capable of Doing? .....	330
Does It Tap My Personal Strengths? .....	330
Can I Describe It in 25 Words or Less? .....	330
What's the Closest Thing to It in the Marketplace? .....	331
Does It Meet a Need or Solve a Problem?.....	331
Does It Take Advantage of a New Opportunity? .....	331
What's the Biggest Drawback or Limitation? .....	332
Will It Make Money — and How Fast?.....	332
Am I Willing to Remortgage My House?.....	332
<b>Chapter 19: Ten Questions to Ask Before You Finish Your Business Plan . . . . .</b>	<b>333</b>
Does the Plan Realistically Assess Your Business Idea? .....	333
Does the Plan Adequately Describe Your Customers and What They Want? .....	334
Does the Plan Establish Specific Timelines?.....	334
Do the Financials Add Up?.....	334
Does the Plan Spell Out Specific Goals and Objectives? .....	335
Will It Guide and Inspire Employees? .....	335
Is the Writing Clear and Jargon-Free? .....	335
Is the Plan Concise?.....	336
Does Your Strategy Allow for the Unexpected?.....	336
What Would Your Competitors Think?.....	336
<b>Appendix: About the CD.....</b>	<b>337</b>
System Requirements .....	337
Using the CD with Windows .....	338
Using the CD with MacIntosh.....	338
What You'll Find on the CD .....	338
Troubleshooting .....	343
<b>Index.....</b>	<b>345</b>

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# Introduction

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**T**he best way — make that the *only* way — to achieve business success is to have a solid plan. Never has that fact been truer than it is today. Companies large and small are facing unprecedented challenges. A business plan is critical to finding a successful course through turbulent times. Sure, a good idea matters. Yes, hard work is essential. But to take advantage of a good idea and to get the most out of your hard work, you've got to have a plan. If you're not sure where to begin, you're in good hands. This book is for you.

*Business Plans Kit For Dummies*, 3rd Edition, doesn't *tell* you how to proceed; it *shows* you how, walking you through the process with step-by-step action plans, examples, and do-it-yourself forms throughout the book and on the information-packed CD-ROM. Whether you're planning to launch a brand-new business, kick-start an idling enterprise, or take a going concern to all-new heights, this book makes the process straightforward, easy, rewarding — and even fun.

## About This Book

Plenty of books out there offer business-planning theories and principles. This one's different. It cuts through the academics and steers clear of the jargon to provide an easy-to-grasp, step-by-step approach to putting a business plan together. It also offers dozens of forms to make the task easier and includes examples from all kinds of businesses — from freelance contractors and small retailers to online marketers and nonprofit organizations.

We've updated this edition to help steer you toward success in one of the most challenging business environments companies have faced in decades. We've added loads of tips on how to use the latest technology resources to scope out potential customers and how to reach them via the fast-growing world of social networking. Chapter 5 contains essential tips on controlling costs, which is more crucial than ever in today's competitive markets. With more people going out on their own or looking for opportunities to start small businesses, we've expanded Chapters 9 and 10 with advice on how to raise cash to start a business and how to plan for uncertainty. Nonprofits, like everyone else, struggle during tight economic times. Chapter 12 includes new information on reaching potential donors and snaring grant money. Because we're convinced that strong business plans are more essential than ever, we've added a brand new chapter on the essential questions to ask about your plan before you dot the last *i* and cross the last *t* (see Chapter 19).

## *Why This Book Is for You*

You've picked up this book, so you're probably starting or growing a business. Odds are good it's a small- to medium-size business because that's how most companies start. But whether your company is big or small, whether you're just starting out or working for a long-established business, the basics of business planning are the same.

Most of the people we've worked with have approached the planning process with more than a little anxiety. But guess what: Once they got going, they discovered that planning isn't just challenging but interesting — and even fun.

We've written this book to make your task as simple as possible. These are tough times to compete in any business, of course. That's why we've also written this book to make sure that you end up with the best business plan out there. The stronger your plan, the more competitive you'll be.

*One last note:* You don't need previous business experience to make your way through this book, although people with experience will also find plenty of good advice.

## *Conventions Used in This Book*

We have a few conventions in this book that you ought to know about. Important terms, which we make every effort to explain, are *italicized*. We place tangential, not-so-important information in gray boxes, also known as *sidebars*. And at the end of every chapter, we summarize the forms from that chapter that appear on the CD-ROM.

Speaking of the CD-ROM, all the forms on the CD appear in both Microsoft Word format and Adobe's PDF format. Use whichever file format you're comfortable with. See the appendix for more info on how to use the CD.

## *How This Book Is Organized*

From start to finish, this book offers a simple, step-by-step approach to business planning. Not everyone will begin on the first page and end on the last, so this book is organized to allow you to flip to the area you want and find information you can put to use right away. To get you oriented, here's an overview of the contents.

## ***Part I: Building a Strong Foundation for Your Plan***

The three chapters in this part form the business foundation upon which you write your plan for success. Chapter 1 provides an overview of what's involved in the business-planning process and what makes it so important. Chapter 2 offers advice on how to brainstorm business ideas and how to seize great business opportunities when you uncover them. Chapter 3 helps you establish the mission, vision, values, and goals for your company and gives you advice for putting your principles into action.

## ***Part II: Developing Your Plan's Components***

This part of the book gets right down to the nitty-gritty details of business planning. Chapter 4 helps you understand your business environment so that you have a clear idea of exactly what you're up against in terms of competition and the marketplace. Chapter 5 guides you in charting a strategy that capitalizes on your strengths and the opportunities that surround you. Chapter 6 helps you analyze all aspects of your company and its capabilities in order to make sure that you concentrate on what you do best. Chapter 7 walks with you through the development of your marketing strategy. Finally, Chapter 8 is all about deciphering and making sense of your financial situation, including how to create the financial reports and projections you need to start, run, and grow a company.

## ***Part III: Tailoring a Business Plan to Fit Your Needs***

This part zeroes in on the special planning issues that different kinds of businesses face. Chapter 9 looks at the planning needs of self-employed individuals in one-person shops. Chapter 10 focuses on small-business planning, but it applies to established businesses big and small who face growth opportunities or turnaround issues. Chapter 12 tackles the special challenges involved in putting together a nonprofit organization and keeping it afloat. And Chapter 13 is full of advice for online companies or for companies that have a strong online component for their business — and these days, that's almost all businesses. Browse through all five chapters and combine advice to match your unique business situation.

## *Part IV: Making the Most of Your Plan*

Chapter 14 tackles the nuts and bolts of putting your written plan together, with advice on assembling a planning team, compiling the components, and writing a concise and reader-friendly document. Chapter 15 is all about getting the most out of your business plan by making it an integral part of your company's organization and operations.

## *Part V: The Part of Tens*

Okay, so you won't find ten dating no-no's or ten tips to a slimmer, trimmer you. But you will find ten ways to know whether your plan needs an overhaul, ten ways to evaluate a new business idea, ten ways to get your business plan funded, and ten key questions to ask before you finish your plan.

## *About the CD*

This book also contains a CD that houses all the forms. You can alter the form using the Word file or print the form exactly as it appears in the book via the PDF. If you want extra room to write your answer, simply open the appropriate Word file, add extra hard returns, print those files, and complete. That way, you can customize your answers to best fit your needs.

## *Icons Used in This Book*



What would a *For Dummies* book be without the margin icons alerting you to all sorts of useful stuff? Here are the icons you find in this book:

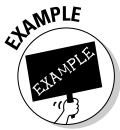
Tried-and-true approaches to help save you time or trouble.



Business-planning essentials you don't want to forget.



Common problems or pitfalls to avoid.



Real-life examples that provide useful lessons on business planning.



A heads-up that the form or resource we bring up also appears on the CD-ROM.



An alert that the research, analysis, or strategy we describe should definitely show up in your written business plan.

## *Where to Go from Here*

You can start anywhere you want in this book, but here's some insider advice: Chapter 1 is a good place to begin because it provides a quick overview of the contents of the whole book. And Chapter 2 is a good place to go next, because it helps you fine-tune your business idea.

If your idea is already polished and ready to go, the chapters in Part II help you shape your great idea into an even better business plan. The chapters in Part III help you tailor your plan to your unique business structure.

Think of it this way: Cover-to-cover is a great approach to follow, but you can use the index to jump quickly to the exact information you need at any time.





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