

Making Everything Easier!™

3rd Edition

Business Plans Kit

FOR DUMMIES®

Learn to:

- Write a business plan that works
- Establish, expand, or re-energize a business
- Get start-up money in any economy
- Keep up with marketplace changes and advancements

Steven D. Peterson, PhD

Founder of Strategic Play Technologies

Peter Jaret

Frequent contributor to The New York Times, Reader's Digest, and other publications

Barbara Findlay Schenck

Business and marketing strategist and author



Get More and Do More at Dummies.com®



Start with **FREE** Cheat Sheets

Cheat Sheets include

- Checklists
- Charts
- Common Instructions
- And Other Good Stuff!

To access the Cheat Sheet created specifically for this book, go to
www.dummies.com/cheatsheet/businessplanskit

Get Smart at Dummies.com

Dummies.com makes your life easier with 1,000s of answers on everything from removing wallpaper to using the latest version of Windows.

Check out our

- Videos
- Illustrated Articles
- Step-by-Step instructions

Plus, each month you can win valuable prizes by entering our Dummies.com sweepstakes.*

Want a weekly dose of Dummies? Sign up for Newsletters on

- Digital Photography
- Microsoft Windows & Office
- Personal Finance & Investing
- Health & Wellness
- Computing, iPods & Cell Phones
- eBay
- Internet
- Food, Home & Garden

Find out "HOW" at Dummies.com

*Sweepstakes not currently available in all countries, visit Dummies.com for official rules.



Business Plans Kit
FOR
DUMMIES®
3RD EDITION

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



WILEY

Wiley Publishing, Inc.

Disclaimer: This eBook does not include ancillary media that was packaged with the printed version of the book.

Business Plans Kit For Dummies®, 3rd Edition

Published by
Wiley Publishing, Inc.
111 River St.
Hoboken, NJ 07030-5774
www.wiley.com

Copyright © 2010 by Wiley Publishing, Inc., Indianapolis, Indiana

Published simultaneously in Canada

No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, scanning or otherwise, except as permitted under Sections 107 or 108 of the 1976 United States Copyright Act, without either the prior written permission of the Publisher, or authorization through payment of the appropriate per-copy fee to the Copyright Clearance Center, 222 Rosewood Drive, Danvers, MA 01923, (978) 750-8400, fax (978) 646-8600. Requests to the Publisher for permission should be addressed to the Permissions Department, John Wiley & Sons, Inc., 111 River Street, Hoboken, NJ 07030, (201) 748-6011, fax (201) 748-6008, or online at <http://www.wiley.com/go/permissions>.

Trademarks: Wiley, the Wiley Publishing logo, For Dummies, the Dummies Man logo, A Reference for the Rest of Us!, The Dummies Way, Dummies Daily, The Fun and Easy Way, Dummies.com, Making Everything Easier, and related trade dress are trademarks or registered trademarks of John Wiley & Sons, Inc. and/or its affiliates in the United States and other countries, and may not be used without written permission. All other trademarks are the property of their respective owners. Wiley Publishing, Inc., is not associated with any product or vendor mentioned in this book.

LIMIT OF LIABILITY/DISCLAIMER OF WARRANTY: THE PUBLISHER AND THE AUTHOR MAKE NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE ACCURACY OR COMPLETENESS OF THE CONTENTS OF THIS WORK AND SPECIFICALLY DISCLAIM ALL WARRANTIES, INCLUDING WITHOUT LIMITATION WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE. NO WARRANTY MAY BE CREATED OR EXTENDED BY SALES OR PROMOTIONAL MATERIALS. THE ADVICE AND STRATEGIES CONTAINED HEREIN MAY NOT BE SUITABLE FOR EVERY SITUATION. THIS WORK IS SOLD WITH THE UNDERSTANDING THAT THE PUBLISHER IS NOT ENGAGED IN RENDERING LEGAL, ACCOUNTING, OR OTHER PROFESSIONAL SERVICES. IF PROFESSIONAL ASSISTANCE IS REQUIRED, THE SERVICES OF A COMPETENT PROFESSIONAL PERSON SHOULD BE SOUGHT. NEITHER THE PUBLISHER NOR THE AUTHOR SHALL BE LIABLE FOR DAMAGES ARISING HEREFROM. THE FACT THAT AN ORGANIZATION OR WEBSITE IS REFERRED TO IN THIS WORK AS A CITATION AND/OR A POTENTIAL SOURCE OF FURTHER INFORMATION DOES NOT MEAN THAT THE AUTHOR OR THE PUBLISHER ENDORSES THE INFORMATION THE ORGANIZATION OR WEBSITE MAY PROVIDE OR RECOMMENDATIONS IT MAY MAKE. FURTHER, READERS SHOULD BE AWARE THAT INTERNET WEBSITES LISTED IN THIS WORK MAY HAVE CHANGED OR DISAPPEARED BETWEEN WHEN THIS WORK WAS WRITTEN AND WHEN IT IS READ.

For general information on our other products and services, please contact our Customer Care Department within the U.S. at 877-762-2974, outside the U.S. at 317-572-3993, or fax 317-572-4002.

For technical support, please visit www.wiley.com/techsupport.

Wiley also publishes its books in a variety of electronic formats. Some content that appears in print may not be available in electronic books.

Library of Congress Control Number: 2010925162

ISBN: 978-0-470-43854-1

Manufactured in the United States of America

10 9 8 7 6 5 4 3 2 1



About the Authors

Steven D. Peterson is founder and CEO of Strategic Play, a management training company specializing in software tools designed to enhance business strategy, business planning, and general management skills. He's the creator of the Protean Strategist, a business simulation that reproduces a dynamic business environment where participant teams run companies and compete against each other in a fast-changing marketplace. He is coauthor, along with Paul Tiffany, of *Business Plans For Dummies*, which was nominated as one of the best business books of the year by *The Financial Times*. He holds advanced degrees in mathematics and physics and received his doctorate from Cornell University. For more information, visit www.StrategicPlay.com.

Peter Jaret has written for *The New York Times*, *Newsweek*, *National Geographic*, *Health*, *Reader's Digest*, and dozens of other magazines. He is the author of seven books, including *In Self-Defense*, *From the Frontlines of Global Public Health*, *Nurse: A World of Care*, and *Active Living Every Day*. He has developed written materials for the Electric Power Research Institute, Lucas Arts, The California Endowment, WebMD, BabyCenter, Stanford University, Collabria, Home Planet Technologies, and others. In 1992, he received the American Medical Association's first-place award for medical reporting. In 1997 and again in 2007, he won James Beard Awards for food and nutrition writing. He holds degrees from Northwestern University and the University of Virginia.

Barbara Findlay Schenck has spent her career helping business owners start, grow, market, and brand their companies. She's worked internationally in community development, served as a college administrator and instructor in Hawaii, and cofounded an advertising agency in Oregon. She writes marketing advice columns for MSN and participates in programs that help businesses adapt to their ever-changing media and consumer markets. She is the author of *Small Business Marketing For Dummies* and *Selling Your Business For Dummies* and the coauthor of *Branding For Dummies* and *Business Plans Kit For Dummies*. For more information on her background, books, and business advice, visit her Web site at www.bizstrong.com.

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

Authors' Acknowledgments

Now that *Business Plans Kit For Dummies* is launching its 3rd edition, we'd like to thank more people than we have room to list on a single page. A book like this is truly a collaboration, and the contributions of the talented editorial and technical team at Wiley Publishing, Inc. are evident on every page.

We would like to give special thanks for the support and encouragement we've received on this revised edition from acquisitions editor Stacy Kennedy, who put the team together; Kelly Ewing, our project editor and copy editor; technical reviewer Andy Elsbury; and our project coordinator, Lynsey Stanford.

Publisher's Acknowledgments

We're proud of this book; please send us your comments at <http://dummies.custhelp.com>. For other comments, please contact our Customer Care Department within the U.S. at 877-762-2974, outside the U.S. at 317-572-3993, or fax 317-572-4002.

Some of the people who helped bring this book to market include the following:

Acquisitions, Editorial, and Media Development

Project Editor: Kelly Ewing

(Previous Edition: Tim Gallan)

Acquisitions Editor: Stacy Kennedy

Assistant Editor: Erin Calligan Mooney

Editorial Program Coordinator: Joe Niesen

General Reviewer: Andy Elsbury

Media Development Project Manager: Laura Moss-Hollister

Media Development Assistant Project Manager: Jenny Swisher

Media Development Associate Producer: Douglas Kuhn

Media Development Quality Assurance: Marilyn Hummel

Senior Editorial Manager: Jennifer Ehrlich

Editorial Supervisor and Reprint Editor: Carmen Krikorian

Editorial Assistant: Jennette ElNaggar

Cover Photos: © iStock

Cartoons: Rich Tennant
(www.the5thwave.com)

Composition Services

Project Coordinator: Kristie Rees

Layout and Graphics: Claudia Bell, Carl Byers, Nikki Gately, Joyce Haughey, Rashell Smith

Proofreaders: Jessica Kramer, Penny Stuart

Indexer: Galen Schroeder

Publishing and Editorial for Consumer Dummies

Diane Graves Steele, Vice President and Publisher, Consumer Dummies

Kristin Ferguson-Wagstaffe, Product Development Director, Consumer Dummies

Ensley Eikenburg, Associate Publisher, Travel

Kelly Regan, Editorial Director, Travel

Publishing for Technology Dummies

Andy Cummings, Vice President and Publisher, Dummies Technology/General User

Composition Services

Debbie Stailey, Director of Composition Services

Contents at a Glance

<i>Introduction</i>	1
<i>Part I: Building a Strong Foundation for Your Plan</i>	7
Chapter 1: Starting Your Planning Engine	9
Chapter 2: Generating a Successful Business Idea	31
Chapter 3: Defining Your Business Purpose.....	51
<i>Part II: Developing Your Plan's Components</i>	77
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
<i>Part III: Tailoring a Business Plan to Fit Your Needs</i>	199
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
<i>Part IV: Making the Most of Your Plan</i>	277
Chapter 14: Putting Your Plan Together.....	279
Chapter 15: Putting Your Plan to Work.....	297
<i>Part V: The Part of Tens</i>	315
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
<i>Appendix: About the CD</i>	337
<i>Index</i>	345

Table of Contents

<i>Introduction</i>	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

Chapter 9: Planning for a One-Person Business	201
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
Chapter 10: Planning for a Small Business	219
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
Chapter 11: Planning for an Established Business	231
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
Chapter 12: Planning for a Nonprofit Organization	245
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
Chapter 13: Planning in an Online World.....	261
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
 Part IV: Making the Most of Your Plan.....	 277
Chapter 14: Putting Your Plan Together.....	279
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

Chapter 17: Ten Ways to Fund Your Business Plan	323
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
Chapter 18: Ten Ways to Evaluate a New Business Idea	329
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
Chapter 19: Ten Questions to Ask Before You Finish Your Business Plan	333
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
Appendix: About the CD.....	337
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
Index.....	345

Introduction

.....

The 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.

- [download online Construction Databook: Construction Materials and Equipment](#)
- [click The Nature of Computation pdf, azw \(kindle\)](#)
- [click Neutron Force pdf, azw \(kindle\), epub, doc, mobi](#)
- [State of Siege pdf, azw \(kindle\), epub, doc, mobi](#)
- [**The Bare Bones Camera Course for Film and Video pdf, azw \(kindle\), epub, doc, mobi**](#)

- <http://crackingscience.org/?library/Juvenescence--A-Cultural-History-of-Our-Age.pdf>
- <http://www.satilik-kopek.com/library/The-Hutt-Gambit--Star-Wars--The-Han-Solo-Trilogy--Book-2-.pdf>
- <http://deltaphenomics.nl/?library/Neutron-Force.pdf>
- <http://kamallubana.com/?library/The-Draco-Tavern.pdf>
- <http://www.khoi.dk/?books/The-Bare-Bones-Camera-Course-for-Film-and-Video.pdf>