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- Keep up with marketplace changes and advancements

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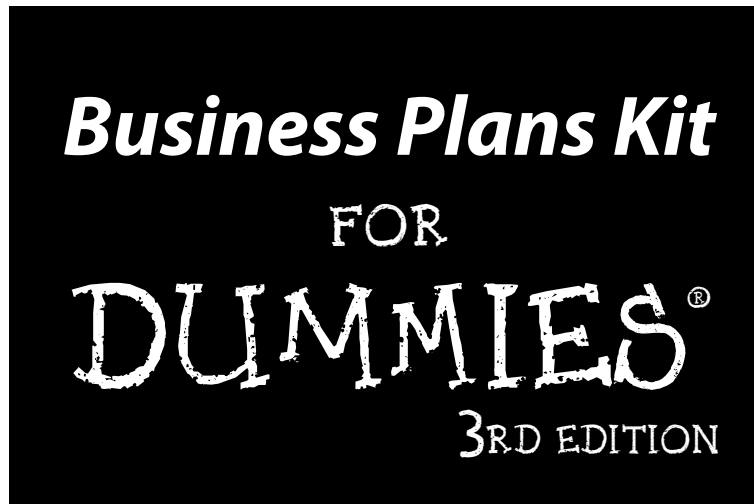
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**by Steven D. Peterson, PhD, Peter Jaret,  
Barbara Findlay Schenck**



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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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# Introduction



**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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