

Ricardo Taylor
UD56749BBU65755

Course Name:
Introduction To The Business Plan

Assignment Title:
AIU Webinar – Introduction To The Business Plan

ATLANTIC INTERNATIONAL UNIVERSITY
May / 2019

Introduction

The business plan is a very important document for any individual who is considering going into business. It is also important to those who must use it to determine whether to provide funding in support of such a document. To that end, it is crucial that both the owner of the proposal and the beholder, that is the investor, bank, person or institution has a representative who understand what such a document should provide in order to make such a decision.

My reason for taking this course is to learn more about the business plan and also to be able to speak to the various aspects and components of the plan. Additionally, I would like to be in a position to share knowledge and wisdom regarding such a document as my efforts may assist in helping someone, someday to eventually start a new business.

Body of Assignment

1. What is a business plan?

(Lambert, 2019). "A business plan is a document that describes and presents your business with detailed projections about its future. A business plan also covers the financial aspects of your business-how much money you need and how you'll pay it back".

2. What are the benefits of writing and having a business plan?

Some of the benefits of writing and having a business plan include and are not limited to the following:

- Obtaining funding
- To determine if the business is profitable
- Improve the company's plans

- Develop step by step approach to starting your own business
- Can help to measure the success of the business against starting plan
- Can use the plan as a guide for business
- Make changes to plan regularly

The business plan also defines the business, outlines the company's intentions, provides a simple description, forecasts the company's products and services, and considers the ideal customer. Try to determine or envision who would look like your ideal customer. What type of customer would service the business well and what can the company do to attract as many of those customers as possible.

3. Describe each section found in a business plan.

- Section 1, Executive Summary

This section of the plan includes the company's mission and vision statement. It is one of the most important parts of the plan, because as noted by Dr. Lambert, there are times when investors may sometime feel satisfied to the point that they can make a decision based on a well written executive summary.

To that end, the executive summary should clearly outline the mission for the company. It should speak to what is the purpose of opening this business, what would be the value that this business would add to the investors, customers, staff and the community. Furthermore, from the vision aspect of the business, what does the entrepreneur, or individual see? What is his or her foresight as to why this business should be brought to reality? Does the vision include a mission that is compatible to the vision, and is it realistic? Can the individual translate his or her vision and mission in the executive summary, to the point where the beholder can buy into the plan and financially support the business proposal?

The section of the plan should be very concise but also provide critical information regarding the business, such as what is the problem that the plan intends to

address? And, what is the solution to that problem? It should outline the steps to be taken to turn the problem into a money and profit making solution.

- Section 2, Company Overview

This section speaks about the company. It provides a brief history of the company and answers questions such as when and how your organization was formed. This section will also include what type of legal structure the company would have and would present and past accomplishments if this is a relevant aspect as in the case of an existing company.

The company overview would speak to how the company will be formed and will also introduce the principles of the company. It will note whether the company is a sole-proprietorship, partnership, limited company or corporation. As it relates to past accomplishments, in the event the company is new and has no past, sometimes the past experiences and accomplishment of the principles of the company may be used to provide extended and supporting information for the company, in an effort to showcase the skills and talents that the company has at its disposal so as to generate a potential influential and substantial past, as it evolves into to a successful future.

- Section 3, Industry Analysis

Industry Analysis includes an analysis of the company's market and the relevant size of the market. This area looks at the prospects of the business and considers the company's potential suppliers and competitors. This section is carefully considered using realistic and sustainable aspects of the business, based on targeted prospects and forecasts for the development and continued growth of the business.

This section is also very crucial as it involves and includes many of the important aspects of the business. The business plan must satisfy the beholder of the

company's ability to have the necessary players targeted, identified, prospected, surveyed, analyzed and proven ready to engage in and be a part of the business operation. It is also imperative that the suppliers are identified and are willing and able to work with and support the business by providing the products and services necessary for the business to operate. The plan must also ensure that should there be any competitors in the market that the business plan identifies strategies and ways in which it can be differentiated so as to mitigate and hopefully eliminate any threats the competition may present.

- Section 4, Customer Analysis

The section considers various aspects of the potential customer base targeted for the proposed business plan. It identifies customers and considers demographic data of a target customer base. It looks at projected and anticipated customer needs, desires and opinions based on survey, observation and various aspects of target feedback based on responses given during various information gathering exercises.

As in the case of the industry analysis and the importance thereof, the customer analysis is likewise, in that the customers are a very crucial component of the business. The targeted market(s) selected for customers must be more than sufficient so as to allow for a margin of error. That is no matter how many persons are targeted and surveyed, whatever that 100 percent of the market is determined to be the target, the plan must realize that not all of the positive respondents will actually become eventual customers. Hence, the plan must make room for a margin of error, and also to include additional target markets so as to provide the business a safe cushion and pool of potential customers to support and sustain the company's operations.

- Section 5, Competitive Analysis

Competitive Analysis section of the plan includes the direct competitors, indirect competitors and competitive advantages.

The direct competitors would be the companies within the proposed business's immediate vicinity offering the same products. In cases where there are direct competitors these should be mentioned and or listed in the business plan. It is also necessary to speak to the competition's strengths and weakness so as to make comparisons as to how the proposed company may capitalized on the various aspect of the competitions SWOT analysis.

The indirect competitors would be those companies offering similar or alternative solutions to satisfy some of the same customer needs that the proposed company hopes to offer.

- Section 6, Marketing Plan

The marketing plan is the section of the business plan that address the company's products and/or services, and also looks into the company's selling proposition, pricing strategy, sales and distribution plans, advertising and promotions and location or place of work.

The marketing plan should detail all of the products and services that the company will offer, and also provide specific details where necessary to satisfy the bank, investor or person to whom this plan will be reviewed, to satisfy their curiosity regarding the plans' ability to demonstrate its' knowledge on the company's products and services. The plan must also state the company's selling proposition. It must note the proposed selling tactics and mechanisms used to develop such proposition, and must detail the list of ways in which the company intend to promote the sale of

its' products and services, and must clearly identify the position, place or location from which the operation will execute and offer its' services.

- Section 7, Operations Plan

This section of the plan outlines the key operational process of the business. It will include the daily functions of the business, and those functions that must be carried out in order to satisfy the operations.

The operations plan must include a customer service department, even if that is only one person in a small operation, but that department must be seen to exist for the support and convenience of the customers. The company must introduce and consistently use, daily control sheets, opening and closing procedures, inventory control logs and any record keeping mechanisms possible to ensure the smooth and daily procedures of a properly functioning operation.

The operation may also include daily, weekly and / or monthly targets for which the company hope to achieve as a means of keeping the line and support staff focused on customer service and the company's bottom line.

- Section 8, Management Team

The management team is also crucial to the plan, because the investor or beholder must be aware of the type of individuals that the company will engage to support this operation. The section may provide a brief over of the management teams' resumes' highlight relevant strengths necessary to support, grow and sustain the company's operations.

- Section 9, Financial Plan

The section must include the revenue model and clearly paint the picture of how the company will generate revenue. This section must also look at the financial highlights which include the income statement, balance sheet and cash flow statements.

These reports should forecast how the company will make money, the projected sales and income from the operation and products and services being offered for sale in the operation, and the details should be separated and placed in the various financial statements to forecasts and project the proposed, target projections of the company's financial position at a given period in time.

4. What is the purpose in constantly changing a business plan through time? Why shouldn't a business manager just write the business plan once for funding and then forget about it?

The purpose of constantly changing a business plan through time is to ensure that the business owner is keeping abreast with the changing times of the operation. This consistency will assist in highlighting the peaks and valley experiences of the business. It will also assist in identifying what products and services are being sold and or used more frequently. It will also help the company to save money and time by not investing in unnecessary inventory, and or providing unnecessary services that will cause the company great losses if such a trend continues. On the other hand however, if management is keen enough to update the plan and to note the changes in the movement of the products then the company stands to defray its' operational losses.

The aforementioned are also reasons why a business owner or manager should not just write the business plan once for funding and then forget about it? Additionally, the plan should be used as working documents that is updated periodically. Overtime and when comparing one plan to the other, the comparative analysis

approach of each scenario would notice the decline in the sale of a given product or service and this would be highlighted. Management or the owner can then request the relevant corresponding daily or monthly operating report so as to gain further information and details with regard to that product or services. These are very crucial tools to aid in keeping abreast with the company's operation and will prove beneficial to the survivability and sustainability of the company.

Conclusion

This was a very interesting course. I have learned additional information regarding the various components of the business plan and feel that I can now write a stronger plan. This course is crucial to my curriculum development as I pursue my doctoral studies in business administration. It is advantageous to be exposed to as many aspects of business as possible to be able to shed light on the information during conversation and also to aid the teaching profession of which I am engaged. To this end, this course has added great value to my future growth and development.

Bibliography

Atlantic International University. (Dr. Edward Lambert). (2019). *Introduction To The Business Plan*. [Video webinar]. Retrieved April 19, 2019 from <https://students.aiu.edu/student/AIUWebinar.aspx?id=153>