



SMALL
BUSINESS
DEVELOPMENT
CENTER

Cabrillo College

POWERED BY



U.S. Small Business
Administration

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Writing The Best Business Plan

with **Keith Holtaway**



Today's Agenda



Reasons for Planning

3 Planning Methods

1. Lean Planning Canvas
2. One Page Business Plan
3. Traditional Planning

Finances

Resources

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Reasons for Planning



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Get money

Provide direction

Create metrics

Get a lease

Create a business model that works

Lean Planning Canvas



What is it?

A tool that supports the
business development cycle

Build - Measure - Learn

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Lean Planning Canvas



1...Customers

Target customers... early adopters...
not eventual mainstream customers

Lean Planning Canvas



#2...Opportunity/need/niche/pain...
in the marketplace

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#3...Solution

The product or service you are creating

Lean Planning Canvas



#4...Unique Value Proposition

Why is what you are selling different and worth buying?

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#5...Channels

How do your early adopters get their information?

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6...Revenue Streams

Where's the money coming from?

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#7...Cost Structure / Expenses

Where is the money going?

Lean Planning Canvas



#8...Key Metrics

Retention

Revenue

Referrals

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#9...Unfair Advantage

“A real unfair advantage is something that cannot be easily copied or bought”

Jason Cohen, A Smart Bear blog

Lean Planning Canvas



9...Unfair Advantage...Examples:

Insider Info

A Dream Team

Large Network

Community

Existing Customers

SEO Rankings

Really Low COGS

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One Page Business Plan



Methodology: 5 Simple Questions

Vision	What are you building?
Mission	Why are you building it?
Objectives	What results will you measure?
Strategies	What will make your company successful over time?
Action Plans	What is the work to be done?

One Page Plan



Vision Statement

Answers the question...What are you building?

Complete your vision statement...5 minutes

One Page Plan



Mission Statement

What is your promise to the world in 6 to 8 words

“The World Overnight”...

“Logistics”...

“Satisfaction Guaranteed or your money back”...

One Page Plan



“People don’t buy what you do, they buy why you do it”

Simon Sinek

One Page Plan



Objectives

What results will you measure?

Specific

Measurable

Attainable

Realistic

Timely

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Objectives

Verb + Noun + From + To + By
= Objective

8 to 9 objectives only

Increase sales from \$250k to \$425k by
YE (year end) 2018

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One Page Plan



Strategies

How will I grow and manage this business,

Formula

Verb + Noun + How + How + How

Example

Increase profit by tax planning, technology, cost management

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One Page Plan



Action Plans

What is the work to be done?

Description of work + deadline=
action plan

Create product list by 4/30, finish costing by 5/15,
rollout line for sale by 6/1

Traditional Plan



A Narrative

8-10 pages max

Executive Summary and the revenue & expense projections are key components

Financial projections usually done for 3 years...month by month

Traditional Method



Mission Statement

Business Concept

Goals

Competitive Analysis

Marketing Plan

Operations

Management

Executive Summary

Financials

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Financials



For Start-ups

Start-Up Expenses

Revenue Projections

Cash Flow Projections

Break-Even Analysis

Opening Day Balance Sheet

For Existing Businesses

Profit and Loss Statement

Balance Sheet

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Financing Options



Commercial Loans
Crowd Funding/sourcing
Government Guarantee Loans (SBA)
Friends and Family
Personal Savings
Credit Cards

Bank Loan



The 5 “C’s” of Credit

Cash.....20-30% of total loan request depending on the type of loan

Credit.....Credit Score of 680 to 700 minimum

Collateral.....To cover 100% of the loan

Character.....Your experience & who you are as an individual

Conditions... The outside factors that will be considered, such as competition and trends of similar businesses in the industry

Bank Loan



Basic Loan Package

Business Plan: 8 -10 pages of narrative and cash flow projections for 3 years month by month

Current personal financial statement

3 years of personal income tax returns

Bank loan application form(s)

Resume, (if not included in plan)

Lease (if applicable)

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Crowd Funding



Donation / Gift Format

Kickstarter

Indigogo

Gofundme

Equity Format

Upstart

Checklist to launch



1. Complete Business Plan
2. Complete a Request for Services from the SBDC, www.santacruzsbdc.org to see an Advisor, free of charge
3. Set up your legal business structure
4. Secure financing
5. If appropriate, find a location & secure a lease
6. Get the necessary licenses & permits & a Fictitious Business Name
7. Find out about State & Federal Tax ID information
8. Get insurance, “key man,” liability, etc.
9. Establish a bookkeeping system
10. Open bank accounts
11. Develop an H/R system if appropriate
12. Start pre-opening marketing...Facebook, Social Media, e-mail newsletters (Constant Contact etc.), website, according to marketing plan

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Resources



- State of California www.calgold.ca.gov
- www.gobiz.ca.gov
- www.business.ca.gov
- www.opencounter.cityofsantacruz.com

- **Small Business Administration:** www.sba.gov
- www.santacruzscore.org

- **Top Startup blogs –** www.topblogs.onstartups.com

- **Tools for your business** -www.zoho.com

- **Free credit report –** www.annualcreditreport.com

- **Legal Information** - www.smallbusiness.findlaw.com
- www.nolo.com

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Resources



“Art of the Start”... Guy Kawasaki

“One Page Business Plan”... Jim Horan

“E-Myth Revisited”... Michael Gerber

“The Lean Startup”...Eric Ries

“Running Lean”...Ash Maurya

“Start With Why”...Simon Sinek

Wired

Entrepreneur

Fast Company

SethGodin.com

Charlie O'Donnell...Feedblitz.com

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the short application found at
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