

BUSINESS PLANNING

THINK AHEAD AND GROW RICH!



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“

A goal without a plan is just a wish.

—Larry Elder

”

What's This Session All About?

The best way to ensure business success is to plan for it! With your business idea and your personal goals and objectives in mind, you'll now learn the basics of planning, and begin your NxLevel® Micro-Entrepreneur Business Plan.

In this session, we'll look at the following topics:

The importance of planning. Planning is essential to the success of a small business. It requires constant attention—just like marketing and bookkeeping—so you must make it a normal, natural part of the day-to-day management of your business. No matter how big or small a business is, good planning increases profitability.

Business goals and objectives. The first step in planning is knowing what you want to accomplish. This means setting short-term and long-term goals, and deciding what objectives you'll use to reach those goals.

Performing a feasibility study. Defining your business concept, and analyzing your business's strengths, weaknesses, opportunities, and threats, can help you

determine whether your business opportunity is possible, practical, and viable.

The NxLevel® Micro-Entrepreneur Business Plan. The NxLevel® Micro-Entrepreneur Business Plan puts your ideas to the test. It will help to reveal whether or not your business idea is workable. It takes time and effort to prepare a business plan, but it's necessary. A good business plan is a powerful tool that will serve as a road map for your new business.

Check and doublecheck. It's time for a reality check: Are your assumptions accurate? Have you addressed all the questions lenders will ask? Do you have the right skills and resources? Is the plan presentable, and are you prepared to discuss it confidently? An honest and realistic business plan helps you identify your weaknesses and strengths so that you can budget the time, energy, and money to improve areas that need it!

The Importance of Planning

Would you take a long car trip without knowing where you wanted to go, which route you should take, how much money you had, or what stops you'd make along the way?

Of course not!

Having a plan is just as important for your business. The NxLevel® Micro-Entrepreneur Business Plan outlines the basics of your business concept. As you prepare your business plan, you'll learn whether your business idea is truly viable. You'll also fine-tune your business concept, making it more likely that your venture will succeed.

Why are we presenting the business plan here, before we've introduced basic marketing and financial concepts? Because this chapter shows you where you're headed, and highlights the concepts you'll

need to know later. In other words, we're going to begin with the end in mind.

But before we discuss the business plan, let's take a look at the importance of planning in everyday business operations.

- **Seeing the big picture.** Day to day, you may find yourself facing problems that don't seem to be connected, but actually are. The planning process helps you sort through hundreds of concerns about your business, and focus on the handful that are causing the majority of your problems. It also focuses your attention on the positive steps you can take to make your business more profitable.
- **Clear communication.** A business plan puts your goals in writing, so that you can communicate them clearly to employees, partners, and investors.
- **New opportunities.** Change always brings opportunities, and careful planning prepares you to profit from them.
- **Continuous improvement.** The ongoing comparison of planned to actual results provides a terrific opportunity to improve business operations.
- **Being prepared.** A good business plan is just like a good fire-prevention plan. Fires may still occur, but they're not as likely, and you know what to do when they happen.

Types of Planning

- **Strategic planning.** How you want your business to grow over the next 2 to 5 years, based on your best guess about what will happen during that time.
- **Operational planning.** Day-to-day planning that should support the goals identified in strategic planning.
- **Financial planning.** Includes budgets and cash flow projections, which must be done whenever any planning activity is undertaken.

Types of Planning

There are three common types of planning:

- **Strategic planning.** Strategic planning is the outline of how you want your business to grow over the next two to five years, based on your best guess about what will happen during that time.

- **Operational planning.** This refers to your day-to-day planning. Ideally, you should work on operational planning after your strategic plan is in place.
- **Financial planning.** This includes such tasks as preparing budgets, cash flow analyses, and projected financial statements, which must be updated whenever any planning activity is undertaken.

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You have to be able to plan. When I got left with the kids, I felt like I couldn't handle it. I used to plan ahead maybe 24 hours—food on the table, clean clothes, and getting the kids to school. But having that plan is what got me through it, one day at a time. Knowing what I had to do each day, and just doing it.

Now I run a business, so I need to plan farther ahead. But it's the same kind of thing and you do it for the same reasons. You need to know your goals, and you need a business plan to make them happen. The worst feeling is not knowing what to do, not even knowing where to start. Planning means you're prepared. You're more in control, instead of things just happening to you.

Clarissa Franks is a 26-year-old African-American woman. She's lived in Brooklyn, New York all her life, in a neighborhood called Fort Greene. For four years, she's been the sole guardian of her two younger sisters, Debra, who's seventeen, and Jennifer, who's fourteen.

Clarissa hasn't had an easy time. She never really knew her father, and her mother died of emphysema when she was sixteen. But she's always had a lot of nerve and heart, and she never considered letting her family break up. She worked part-time jobs, applied for public assistance, and even traded daycare for services. It took careful planning and long, long hours, but she made ends meet and is getting the kids through school.

You know, there comes a time when you've got to decide whether to just drift with the tide or learn to swim. I didn't have time to lie to myself, so I took a honest look at myself and what my options were.

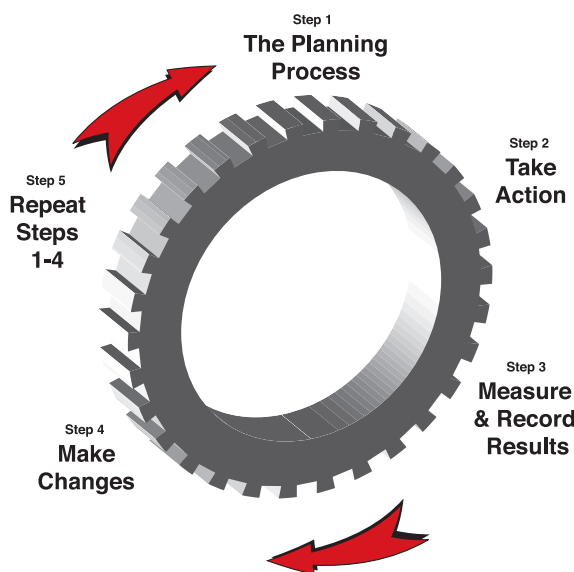
I made a list about myself. You know, my good points and bad points. And I asked some friends to write about me the same way. I want it honest, I said. And that was really where I decided I could do whatever I set my mind to. Because in my own life, I saw that I'd held it together. The kids staying in school and getting good grades was proof of that. And the worst thing my friends said about me was they didn't see me enough...you know, 'cause I was working all the time? So I got a lot of confidence from that.

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Understanding the Planning Cycle

You should start planning several months before start your business. Some micro-entrepreneurs plan for up to six months before starting up. The timing depends on how much time you can dedicate to your new venture. Once your business is up and running, planning should be a natural and normal part of your business operations.

Planning is a five-step process. In a well-managed business, the following steps take place every day.



1. **Plan** a course of action for your business.
2. **Take action** by making decisions that support the plan.
3. **Measure** the results of the actions taken in Step 2, and note any differences between the results you expected and the results you got.
4. **Make changes** to the plan as a result of what you learned in Step 4.
5. **Repeat** steps 1 through 4.

Building a Planning Team

While you must take the lead role in developing a business plan, it's a very good idea to form a planning team to help you. In addition to your mentor, you'll probably want to involve your family and friends in the process. And if possible, try to involve professionals like a lawyer or accountant. If you have employees who are central to the business, you might want to involve them, too.

Not every team member will be involved in every step. Instead, they'll review and comment on the parts of the process in which they have expertise.



Keys for Success

Here are some ideas for making your planning process a success:

- Assume the lead role
- Get help from advisors
- Have a backup plan in case things go wrong
- Identify how specific goals and objectives will be achieved
- Keep in mind the skills of those who will implement the plan
- Write down all your assumptions
- Know who will do what, when, and how
- Revise the plan on a regular basis

Business Goals and Objectives

One of the first steps in planning is writing down your business goals. What do you want to accomplish within one year? Two years? These are your **short-term goals**. What do you plan to accomplish in the second through fifth years? These are your **long-term goals**. The steps you'll take to meet these goals are called **objectives**.

Each objective should be clear and easy to understand. It should include a deadline, and name the person responsible for getting it done:

- What is the objective?
- Why is it important?
- Who will get it done?
- How will it get done?
- When must it be done?

The *Goals and Objectives Worksheet* will help you to set and meet objectives.

Performing a Feasibility Study

The purpose of a **feasibility study** is to determine if your business opportunity is worth pursuing. If it is, it's time to move on to the business plan. If not, the idea will need some fine-tuning, or you may need to find another business idea.

The goal here isn't to get exact facts and figures. Instead, the goal is to look at best-case and worst-case scenarios, and get some sense of what sounds realistic given your situation.

Here are the components of a feasibility test:

- Defining the business concept
- SWOT analysis (strengths, weaknesses, opportunities, and threats)
- Financial feasibility

- Feasibility of sales volume
- Conclusion

Step 1: Defining the Business Concept

Answer the following questions to the best of your ability:

- What business am I in?
- What products do I offer?
- How does my business reflect my personal values?
- Who are my target customers?
- Why will customers buy from my business?
- When will my customers buy?
- How will customers find my business?
- How much will my customers pay?

Using your answers to these questions, write a brief definition of your business. Here's an example of how to do it:

I'm going to use my sewing talent to make unusual handbags out of materials I find in thrift stores and elsewhere. These handbags will reflect my eye for color and design, my interest in recycling old materials into new ones, and my desire to make a sturdy bag that will hold up for years. I will target women between the ages of 18 and 35 who are interested in one-of-a-kind urban fashions. I will sell online through sites like eBay.com and Etsy.com. The bags will cost between \$50 and \$75, which my customers will be willing to pay because my bags are well-made and attractive, and no two are alike.

Step 2: SWOT analysis

SWOT analysis looks at your business's Strengths, Weaknesses, Opportunities, and Threats. Strengths

and weaknesses relate to the internal side of your business: if you're good at math, that's a strength; if you're not so good at it, that's a weakness.

Opportunities and threats relate to the environment in which your business operates. An opportunity might be a new online trend, while a threat might be competition from a bigger company. Note that external threats often result from internal weakness, and external opportunities from internal strengths.

After you've considered the strengths, weaknesses, opportunities, and threats of the business concept, does it still seem like a good idea? For an idea to be feasible, strengths and opportunities should outweigh weaknesses and threats.

Step 3. Financial feasibility

How much will your business idea cost to start, and roughly how much will it bring in? Suppose it'd cost you \$10,000 to make 20,000 units of a product that sells for 25 cents a piece. You'd have to sell 40,000 units just to break even, which is twice the number of units you could afford to make! Basically, you're spending \$10,000 to earn \$5,000, which would definitely *not* be feasible. Your business must bring in more money than it costs to start and run, and that money must be enough to meet your needs. If your idea isn't financially feasible, there's no reason to go ahead with it!

Step 4. Feasibility of sales volume

Any idea will look financially feasible if you assume a high enough sales volume! Ask yourself if you can really achieve the sales volume you need to make your idea work.

For instance, suppose it'd cost you \$10,000 to make 80,000 units of a product that sells for 25 cents a piece. Again, you'd have to sell 40,000 units just to break even. But if you sold all 80,000, you'd double your money. Is that feasible?

SWOT Analysis

Strengths

Weaknesses.

Opportunities

Threats

For some products, maybe. But even if it's feasible in theory, there are other factors to consider. Suppose you have a huge competitor who offers the same product for 20 cents? Or suppose you'll be selling exclusively to a store that gets an average of 5,000 individual customers per year? Or suppose it's a product targeted at a small group of people, like birdwatchers in central Ohio? If you only have 1000 people in your target market, they'd each have to buy 80 of your product before you could make a profit of \$10,000.

Step 5: Conclusion

Does your idea still seem feasible? If so, it's time to move forward. If not, return to Step 1 and revise your responses to the first four steps. This gives you a chance to fine-tune your idea.

This isn't just a useful process when you're trying to decide whether to start a business. Whenever you're considering a course of action, a feasibility study can help you weigh weaknesses against strengths, opportunities against threats, and costs against benefits. It's really one of the most useful skills you can learn!

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Clarissa had been working for three years in a beauty shop, where she specialized in manicures and pedicures. Her clients loved her cheerful, bright attitude. She was very different from workers in other nail salons, who simply tried to get customers in and out as quickly as possible. And because she read all the magazines and knew all the latest products and styles, customers often came to her for advice on what to wear to job interviews, or how to dress for a big date.

That's what gave Clarissa the idea of opening a combination nail salon and fashion consultancy. She'd offer the usual manicure services, but she'd do it at a leisurely, luxurious pace, and she'd also offer fashion consultations to mothers and young women who wanted advice on how to look their best. Competition was

fierce, and many salons were offering lower prices and faster turnaround, even if they had to break labor laws or use illegal chemicals to do it. Clarissa decided to go the opposite route; she'd see a few less people, use better materials, and charge more money.

The more she thought about it, the better it sounded. She knew about fashion, she had a warm personality, and she'd been dressing her sisters beautifully for years on almost no money. Also, she had lots of regular customers at the beauty parlor, and she was pretty sure they'd keep coming to her if she left and started her own business.

I never thought about optimism or pessimism. I just did what had to be done. But since I always hung onto the idea that things were going to get a lot better—that I was going to make them get better—I guess I must be an optimistic person. My goals were simple. Get the girls out in the world on the right foot, and do something for myself that would make money but also make me happy.

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The NxLevel[®] Micro- Entrepreneur Business Plan

The goal of this course is to produce a well-researched business plan. Business plans are written for three audiences:

- The internal management team
- Possible lenders and investors
- Possible partners, advisors, and employees

Your business plan will provide important information to anyone who is considering getting involved in your business, such as employees, mentors, and partners. Also, lenders, investors, and other

institutions will want to see your business plan before making a loan, because they want answers to questions like these:

- Is your business idea viable?
- Is your product unique, or better than those of competitors?
- Does your business create or cater to a new market?
- Is it a growth market?
- Are cash flow and sales projections realistic?
- Will your business be able to service its debt?
- Does your business understand and place priority on customer needs?
- Is your business concept clear, focused, and logically presented?
- Is your business concept based on sound research and analysis?
- Do you have experience in this business?

You probably can't answer most of these questions now, but you'll be able to once you've completed your business plan.

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Clarissa knew she had a lot to learn about business, but she also saw a lot of positives on her list of good and bad points. She knew how to make the most of very little. And she knew a lot about planning, too. She knew that it's not a matter of writing down daydreams or wishes. It means knowing where you are and where you want to go, and figuring out how to get safely from one place to the other.

She already had her GED, so she started going to a community college at night, in order to take some introductory business courses. She didn't have much school experience, and she soon found that she got the most out of her classes by talking one-on-one to her instructors afterwards. One of her most helpful

instructors was Esther Morris.

She took Esther her out for coffee, and talked about her business idea. Esther was able to give her advice on everything from setting up a sole proprietorship, to conducting market research, to dealing with the environmental laws and health codes that apply to nail salons. Most important, she gave Clarissa an outline of a business plan, and explained how the information would fit into it. Clarissa studied it until she knew it backwards and forwards, and then wrote up an action plan to guide her research.

I have passion, I have energy, and Lord knows I'm persistent. I felt like I was bragging talking to Esther because everything she told me I need, I said I had it already. But it was true. My life had proved I knew how to communicate with people. I already knew how to improvise and adapt and do things new ways. I already had self-reliance and confidence and planning skills. I was ready, except for needing some business education. That's why I was in school at the end of a long day, instead of at home with my family!

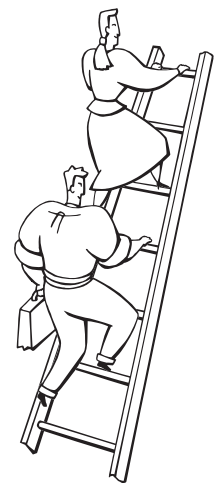
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Sections of the NxLevel® Micro-Entrepreneur Business Plan

Here are the sections that make up the NxLevel® Micro-Entrepreneur Business Plan. We explain the purpose of each section below.

Certain business terms are introduced in these descriptions. Becoming familiar with them now will help to you understand the upcoming sessions.

- Cover Page
- Table of Contents
- Executive Summary
- Personal Background and Experience



Business Plan Tips

- You should take the lead role in writing it.
- Business plans should be typed, not handwritten.
- There is no required length ... it depends on the type of business.
- Some sections are more important than others. again, it depends on the type of business.
- Have advisors help you review and edit the plan.
- If you are not a strong writer, ask a friend to help.
- Be careful of consultants who write business plans. It can be expensive!

- Business Concept
- Business Organization
- Marketing Plan
- Financial Plan
- Conclusion
- Attachments

Executive Summary

Professionals will scan the executive summary to decide whether or not the rest of the business plan is worth reading. That means it must capture and hold their attention!

The executive summary comprises condensed versions of the major sections of the business plan. Therefore, you must understand the preceding sections, and how they relate to one another, before you can write an effective summary.

Keep in mind the three Cs: Be clear, concise, and convincing!

Personal Background Information

This section briefly outlines your skills and experience as they relate to the proposed business. It should detail your experience (if any) in the industry, and special expertise that gives you an advantage.

This section also presents your personal financial resources. It lists your assets and the other sources of income available to you, and states how much you will invest in the business yourself.

Business Concept

First, this section should describe the products and services you'll offer. What value will you deliver to customers? What is your company's mission statement? A mission statement explains, in a straightforward, concise way, what a business hopes to be and do.

Second, this section explains what opportunities you'll concentrate on, and what problems you'll solve for your customers.

Third, this section of the plan should explain your goals and objectives for the **short term** (one year) and the **long term** (two to five years), with details of how you'll achieve them. This is also the place to explore options for growth. Thinking ahead in the early stages of planning will impress those who are interested in participating, so use this section of the plan to state specific objectives for growth.

Last, this section should give readers some background on the industry in which your business operates. Where is the industry headed in the next 1, 3 and 5 years? What economic, social, or political trends impact the industry? What opportunities exist? What problems or threats will you overcome?

Business Organization

This section usually begins by describing the legal form of ownership of the business. Will it be a limited partnership? A sole proprietorship? A corporation? We'll discuss these options at length in Session 5.

This section also introduces the people and structures that will make the business run smoothly and successfully. You may be running the business singlehandedly, or you may be planning to hire some short-term helpers. What tasks will you be responsible for? What tasks will you rely on outside services, consultants, mentors or helpers to perform? Will you do accounting and payroll yourself? Or will you hire an accountant and bookkeeper?

The management section of the business plan is a good place to present possible weaknesses within the business. Businesses often list possible challenges along with alternative plans for solving these problems.

Finally, this section of the business plan should explain how you will keep records—and manage

budgets and controls—and how you'll manage risk.

Marketing Plan

The **marketing plan** identifies the markets your business intends to serve. It outlines your business's strengths, and describes how it will be positioned in its market. We'll discuss the marketing plan in detail in the next session. For now, you should know that the marketing plan contains the following sections:

Product Description

What products will your business offer? What features and benefits will you provide? What is your niche market? You might also include information about the **seasonality** of your product, and whether it's in the introduction, growth, maturity or decline phase of its life cycle.

Market Analysis

After you've gathered market research about your customers and competition, market analysis describes what you've learned about your target market. As we learned in Session 2, your target market is the group of customers most likely to buy from you. Who are your customers? How large is your target market? How fast is it growing, and what sales volume can it generate?

Demographic data and **psychographic data** help you to describe the target market. Demographic data are things like people's zip codes, age, income level, spending patterns, and marital status. Psychographic data describe people's lifestyles, hobbies, beliefs, and attitudes. Together, these data determine all marketing strategies, including those regarding the Four Ps: **product**, **price**, **placement**, and **promotion** (also known as the **marketing mix**).

Competitive analysis is a process by which you investigate who your competitors are and where they're located. What does your business offer

that's better than the competition? What are your business's unique strengths? What are its weaknesses?

Another important part of market analysis is a list of possible **barriers to entry**. What are your initial start-up costs? What skills or expertise do you need? How long will it take to set up operations? This section explains how you'll overcome obstacles and achieve your objectives.

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Clarissa's neighborhood was changing. It had a lot of once-fashionable houses that had been neglected for years, and outside buyers were starting to buy up the best of the two-story brownstones. Fort Greene had always been home to her, and seeing it change was hard. But she also understood that new money meant new opportunities.

Near Atlantic Avenue, there was an old barbershop that had been there for most of Clarissa's life. Now, it was closing down. The owner had announced his plans to retire. Clarissa talked to him and found that he was more than willing to lease her the shop.

The shop was old-fashioned in a good way, with chrome and porcelain fixtures from the days when barber shops were expected to be elegant. The chairs were perfect for manicures, and the front windows faced a couple of beautiful old sycamores across the street.

Soon, Clarissa was spending a lot of time at the Brooklyn Public Library, ten blocks away on Grand Army Plaza. The librarians—a couple of whom had known her since she was a little girl—helped her find reference books listing governmental agencies, support groups, and sources for business loans. And after doing some research online, she found free legal assistance, and industry information on nail salons and income levels in her area. Pretty soon, she'd crossed off almost every item on the action plan!

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How to Start Writing Your Business Plan

- Use notecards or separate pieces of paper for each section.
- Write down what you already know.
- You don't have to write the plan in the order described here. Do the sections you know first.
- Ask for assistance when you're stuck or confused.
- Talk to others who have written business plans for their business. How did they do it?

Marketing Objectives, Strategies, and Tactics

This section outlines your business's product, pricing, placement, and promotion strategies. How will you package your products? What sort of customer service will you provide? Where will your supplies come from? How will you maintain production levels to meet customer orders? Will the products be widely or selectively distributed?

General pricing information is also included in the plan. What will you charge for your product? How have you calculated your costs and your profitability? How will your price position you in the market? Will you offer any special discounts to entice new business?

What does your business hope to achieve in its markets? What strategies (plans) and tactics (actions) will it use to achieve these objectives? What promotional strategies will it use? Newspaper ads? Radio? Direct mail? Will the business create its own Website and register with several search engines, or link to related sites? How much will promotional tactics cost, and how long will each tactic be used?

Financial Plan

The financial plan is often the most important section of the business plan. It's where you describe the financial requirements for starting your business. The financial plan has three sections: **cash flow projections, financial statements** and **additional financial information**.

Cash Flow Projections

These are perhaps your most important financial tool. They show how money flows into and out of your business on a monthly basis. It very useful for determining when and how much money your business needs to borrow, as well as how much it needs to pay bills each month. Most business plans contain **monthly cash flow projections** for the first year, and **annual cash flow projections** for years two and three of the business.

Financial Statements

The **income statement** shows how much a business earned and how much it spent, and the resulting profit or loss. (That's why it's also known as a **profit and loss statement**.) A **projected income statement** presents profits your business **expects** to generate. Projected income statements are often on a monthly basis for the first year of business, and then on a quarterly basis for the two years that follow.

The **balance sheet** lists all the business's assets and liabilities. It's an itemized report of the **net worth** of a business at a given point in time. **Assets** are any items of value owned by the business. These include equipment, accounts receivable, inventory, cash and any prepaid expenses. **Liabilities** are debts owed in the long and short term. These include lease payments, accounts payable, bank mortgages and other bank debts and equipment depreciation. **Depreciation** is the decrease in value of buildings or equipment from wear and tear and the passage of time. By subtracting total liabilities from total assets, businesses calculate their overall net worth.

A balance sheet is similar to the personal financial statement you completed in Session 1.

Additional Financial Information

This section summarizes your business's financial requirements, including start-up costs. **Existing debt** is a summary of all outstanding loans the business owes. As you learned in Session 1, the **personal financial statement** shows your financial health. It also lists your personal liabilities, and what sources of income you have outside of the business.

Attachments

This final section presents such supporting documents as resumes for you and any other employees, market research findings, product specifications, brochures, customer testimonials, commitment letters, and so on.

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The biggest worry for me was finances. All my life I was living pretty much paycheck to paycheck. Money in, money out. That was okay, up to a point. But now all of a sudden I needed to think about credit and collateral, and cash flow, and actually balancing my accounts. When you have to pay out your money the second it comes in, you don't worry about balancing your checkbook.

By poking around on Freecycle.org, and visiting some thrift stores, Clarissa was able to get a nice desk, some chairs, a few wall hangings, and a coffee service for under a hundred dollars. Afterwards, she sat down and made a list of the expenses she couldn't cover (tools and materials, nail dryers, an airbrush, foot spas, a computer, a sound system, window decoration and painting, signage, some interior paneling, and business licensing fees).

She added them up, put them in her business plan, and took them to a counselor at the Minority Business Development Center. After suggesting some changes to the plan, the counselor got Clarissa an appointment with a "social capitalist" microfinancing firm that had an interest in protecting Brooklyn's architectural heritage, as well as helping low-income entrepreneurs.

They were impressed with Clarissa's business plan, her high energy, and her determination. What they weren't sure about was whether her relaxed, very personalized service would really be enough to make her stand out from the competition, and justify her higher prices. After doing some research, they suggested that she avoid acrylic nails and the chemicals associated with them, and switch to safer materials. They explained the benefits:

- None of her competitors were using non-toxic products, which would give her a large competitive advantage, especially because asthma rates were on the rise in her neighborhood.
- Using less toxic materials would reduce her

regulatory issues.

- The lack of strong odors and toxic dusts would enhance the soothing, relaxed atmosphere of her salon.
- Avoiding strong chemicals might lower her insurance rates (and would definitely protect her health).
- The use of a premium product would help to justify a premium price for her services.

Clarissa happily agreed to this. She revised her business plan, taking the cost of alternative nail-care products into account, and resubmitted it. This time, the loan was approved right away!

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Check and Doublecheck

Once you've drafted your plan, look at the information you've accumulated and ask yourself these questions:

- Does your business plan make sense?
- Is there a real demand for your product?
- Is there a potential for growth?
- Are you targeting the right market?
- Are your financial projections correct?
- What education or skills do you need?
- Should you revise your business concept?

Be sure you've answered these questions before seeking financial assistance from family, friends, or other lenders. Once you're satisfied with your results, you can start putting together your executive summary.

Do yourself a favor and be honest when creating your plan. It's easy to paint a rosy picture of your



idea, so do a reality check: Are your assumptions accurate? Have you addressed all the questions lenders will ask? Do you have the right skills and resources? Get the input of friends, family, employees, and advisors before you commit to a plan.

A realistic business plan helps to identify your weaknesses and strengths so that you can budget the time, energy, and money to improve areas that need it. Don't beat yourself over the head if you find major problems with your plan. Rome wasn't built in a day, and neither are successful businesses! You can always revise and improve your plan. That's what this book is all about!

Finally, don't be a slave to your plan. If new opportunities arise, don't avoid them simply because they weren't anticipated in your plan. There's more than one way to get to your destination!

Remember above all that your business plan is a working document. It should evolve over time as you learn more about your market, your business, and yourself.

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It comes down to knowing what you have to do, and knowing how to get it done. And part of that is knowing what you don't know, and what you can't do on your own. I'm a proud person, and for me it was sometimes hard to ask for help. Now it's funny to think about how at times like that, I was the only thing standing in my way. The way I see it now is, if there's somebody out there who wants to help me get to the next level, and I don't know about it, then I'm not doing my job as an entrepreneur.

Clarissa began her marketing with personal phone calls to every woman she'd ever served, and her years of advice and friendliness soon paid off in a substantial core clientele.

Today, *Better All the Time* provides high-end manicure services and expert fashion consulting. The walls are decorated with fashions

and personal coiffures taken from the glossy magazines, and Clarissa recommends appropriate colors, fabrics and styles to her customers. She's built up a loyal following, and word of mouth is starting to pay off.

But that doesn't mean she's stopped planning. Clarissa still plans carefully and realistically, using her computer to research trends, economic indicators, and new regulations that might affect her. She revises her business plan twice a year to reflect changing conditions, so that it can continue to guide her towards success.

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What You've Learned

The NxLevel® Micro-Entrepreneur Business Plan is a road map for you, a financing proposal for lenders, and a source of inspirational information for prospective partners and employees. It is also the goal of your participation in this NxLevel® training class for micro-entrepreneurs.

At the end of this class, after you've completed the soul-searching and the hard work that go into the plan, you'll have every reason to feel proud. You'll have taken an enormous step towards making your dreams come true!

In this session, you learned:

1. Planning is essential to the success of every business.
2. In a well-run business, the planning process happens every day.
3. Short-term goals are what you want to accomplish in one to two years. Long-term goals are what you want to accomplish in two to five years.

4. Creating the NxLevel® Micro-Entrepreneur Business Plan is your goal in this course.
5. Your business plan will provide important information to anyone who is seriously considering getting involved in your business.
6. Your business plan should evolve over time as you learn more about your market, your business, and yourself.

