

BUSINESS PLAN BASICS

A business plan precisely defines your business, identifies your goals, and serves as your firm's resume. The basic components include a current and pro forma balance sheet, an income statement, and a cash flow analysis. It helps you allocate resources properly, handle unforeseen complications, and make good business decisions. Because it provides specific and organized information about your company and how you will repay borrowed money, a good business plan is a crucial part of any loan application. Additionally, it informs sales personnel, suppliers, and others about your operations and goals.

Plan Your Work

The importance of a comprehensive, thoughtful business plan cannot be overemphasized. Much hinges on it: outside funding, credit from suppliers, management of your operation and finances, promotion and marketing of your business, and achievement of your goals and objectives.

"The business plan is a necessity. If the person who wants to start a small business can't put a business plan together, he or she is in trouble," says Robert Krummer, Jr., chairman of First Business Bank.

Despite the critical importance of a business plan, many entrepreneurs drag their feet when it comes to preparing a written document. They argue that their marketplace changes too fast for a business plan to be useful or that they just don't have enough time. But just as a builder won't begin construction without a blueprint, eager business owners shouldn't rush into new ventures without a business plan.

Before you begin writing your business plan, consider four core questions:

- What service or product does your business provide and what needs does it fill?
- Who are the potential customers for your product or service and why will they purchase it from you?
- How will you reach your potential customers?
- Where will you get the financial resources to start your business?

For assistance in creating your business plan, contact Vision Financial Group Today.