



SMALL
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COLLEGE OF BUSINESS & ECONOMICS

East Bay Small Business Development Center

Nancy Mangold, Executive Director, East Bay SBDC



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The City of Brentwood **Business Planning 101**

Nancy Mangold, Executive Director, East Bay SBDC

East Bay SBDC



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- **Executive Director, East Bay SBDC**
- **Professor, Cal State East Bay**

A Business Plan

- A map for small business owners and entrepreneurs
 - Showing you where to go and how to get there
 - Carefully think through your business
 - Check if your idea is good, feasible and profitable
 - Help small business owners to plan, communicate, and stay on track toward their goals.

Why you need a Business Plan

1. Help you make strategic decisions
 - Force you to sit down and think about major components of your business before you get started
 - A business plan can provide strategic direction and help businesses avoid making costly mistakes.
2. To prove the viability of the business
 - Planning out exactly how you're going to turn that vision into a successful business is perhaps the most important step between concept and reality.
 - Business plans can help you confirm that your grand idea makes sound business sense.
3. Understand the market
 - Understanding the market can help businesses determine how many customers they can reach and how much revenue they can generate.
 - This can help them make more concrete plans and secure buy-in from key stakeholders

Why you need a Business Plan

4. Identify opportunities

- Identifying business opportunities can help companies stay competitive, grow financially, and thrive in the market.

5. Plan and achieve goals

- Planning can help businesses achieve short- and long-term goals, and align resources to meet objectives efficiently. This can lead to higher levels of customer satisfaction and ROI.

6. To avoid the big mistakes

- No market need
- Lack of capital
- Inadequate team
- Stiff competition
- Pricing

Why you need a Business Plan

7. To secure financing

- A business plan can help entrepreneurs communicate their vision and outline a business's future potential to investors and other agencies.
- It can also be used as a strategy document to attract new funds or show how a business would use a bank loan or investment.
- If you're planning on pitching to venture capitalists, borrowing from a bank, or are considering selling your company in the future, you're likely going to need a business plan.
- Anyone that's interested in putting money into your company is going to want to know it's in good hands and that it's viable in the long run.
- Business plans are the most effective ways of proving that and are typically a requirement for anyone seeking outside financing.

What is in a Business Plan

1. Executive Summary
2. Company Summary
3. Opportunity
4. Execution
5. Company Personnel
6. Financial Plan
7. Appendix

Company Summary -Overview

- Company Name
- Company Logo
- Company History
- Specify who owns your company
- Identify your company's legal structure
- Products or Services

Opportunity

- Problems
- Solutions
- Target Market
- Competition

Problems Worth Solving

- Describe very briefly why your business needs to exist.
- Unmet needs or wants?
- What problem do you solve for your customers?
- What do your customers need?
 - A better product
 - A cheaper product
 - A healthier product
 - A store in better location
 - A more convenient service
 - An environmentally friendly product

Solution

- Explain how you solve the problem
- Describe why customers will want to buy from you.
- What is unique and special about your company that's going to set it apart from the competition?

Target Market

- Market Size & Segments

- Describe your key customers – who they are and what their key attributes are.
- If your company is targeting multiple customer groups (also called ‘segments’), describe each group here.
- If you can, include details about how many people are in each segment and how large the total market is.

Competition

- Current Alternatives
- Your Advantages

- Describe your current competition. What products and services are people using instead of yours?
- Explain why your product or service is better than the others.
- Also, be sure to describe any competitive advantages you may have, such as a patent or other unique component to your business.

Execution

- Marketing and Sales
- Operations
- Milestones & Metrics

Marketing & Sales

- Marketing Plan
- Sales Plan

- Explain how you plan on getting the word out about your product to your target market(s).
- Describe your marketing plans here.
- Will you use advertising?
- Will you develop email marketing?
- Will you develop a content marketing strategy?
- Will you develop a social media marketing strategy?

Operations

-Locations &
Facilities

-Technology

-Equipment & Tools

- Describe your company's physical locations.
- Describe any important software, hardware, or other information technology that you use now or plan to use later to operate your business.
- List any specialty equipment that you have or plan to acquire to do your work.

Milestones & Metrics

- Milestones
- Key Metrics

- List your key milestones and the dates that you hope to accomplish them by.
- Explain which performance metrics are most important for understanding how your business is doing.
- What does success mean for you, and how will you know it when you see it?

Company

- Management Team
- Advisors

Company -Management Team -Advisors

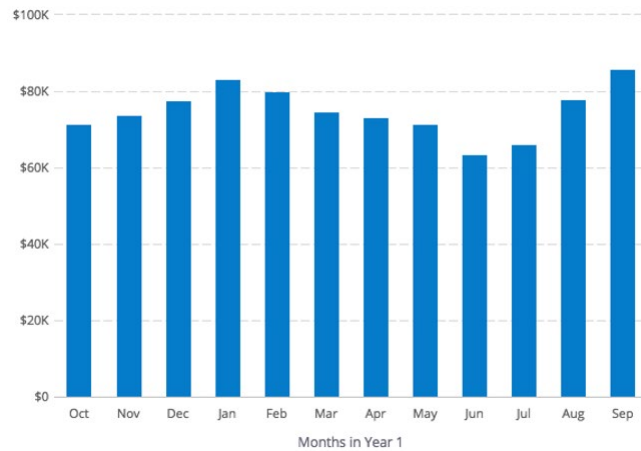
- List the members of the management team
- Describe each person's skills and experience and what they will be doing for the company.
- Describe any mentors, investors, former professors, industry or subject-matter experts, knowledgeable friends or family members, small-business counselors, or others who can help you as a business owner.

Financial Plan

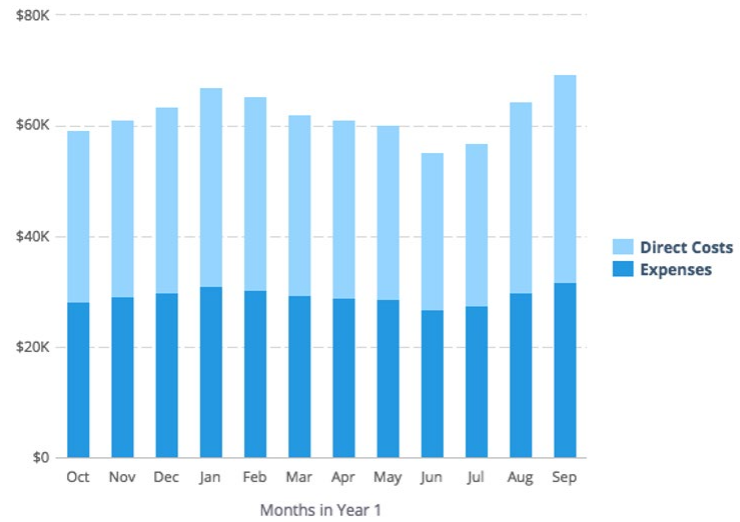
- Forecast
- Financing
- Statements

Forecast

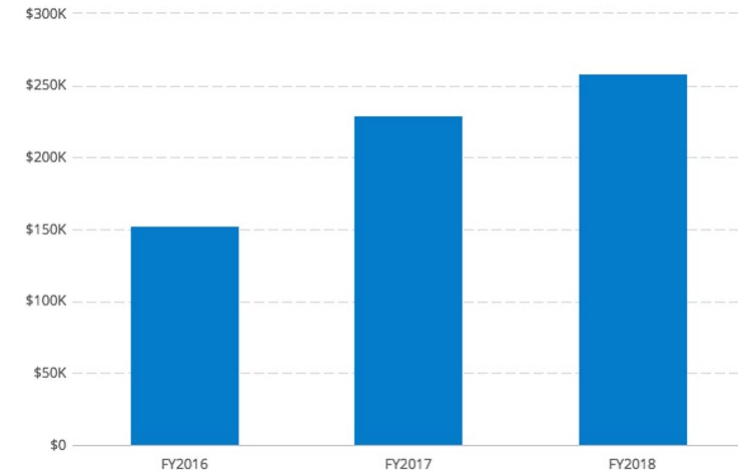
Revenue by Month



Expenses by Month



Net Profit (or Loss) by Year



Financing

- Use of Funds
- Sources of Funds

- If your forecast includes loans, investments, or other financing, use this space to explain what you plan do with that money.
- Describe your financing plans.
 - Are you investing your own money in the business?
 - Do you have a credit card or line of credit?
 - What other types of funds — personal or business loans
 - equity investments from others, etc

Statements - Projected Profit & Loss

	FY2018	FY2019	FY2020
Revenue			
Direct Costs			
Gross Margin			
Gross Margin %			
Operating Expenses			
Salary			
Employee Related Expenses			
Total Operating Expenses			
Operating Income			
Interest Incurred			
Depreciation and Amortization			
Income Taxes			
Total Expenses			
Net Profit			
Net Profit / Sales			

Statements - Projected Balance Sheet

	FY2018	FY2019	FY2020
Cash			
Accounts Receivable			
Inventory			
Other Current Assets			
Total Current Assets			
Long-Term Assets			
Accumulated Depreciation			
Total Long-Term Assets			
Total Assets			
Accounts Payable			
Income Taxes Payable			
Sales Taxes Payable			
Short-Term Debt			
Prepaid Revenue			
Total Current Liabilities			
Long-Term Debt			
Total Liabilities			
Paid-in Capital			
Retained Earnings			
Earnings			
Total Owner's Equity			
Total Liabilities & Equity			

Statements - Projected Cash Flow Statement

	FY2018	FY2019	FY2020
<hr/>			
Net Cash Flow from Operations			
Net Profit			
Depreciation and Amortization			
Change in Accounts Receivable			
Change in Inventory			
Change in Accounts Payable			
Change in Income Tax Payable			
Change in Sales Tax Payable			
Change in Prepaid Revenue			
Net Cash Flow from Operations			
<hr/>			
Investing & Financing			
Assets Purchased or Sold			
Investments Received			
Change in Long-Term Debt			
Change in Short-Term Debt			
Dividends & Distributions			
Net Cash Flow from Investing & Financing			
<hr/>			
Cash at Beginning of Period			
Net Change in Cash			
Cash at End of Period			
<hr/>			


Business Plan Example

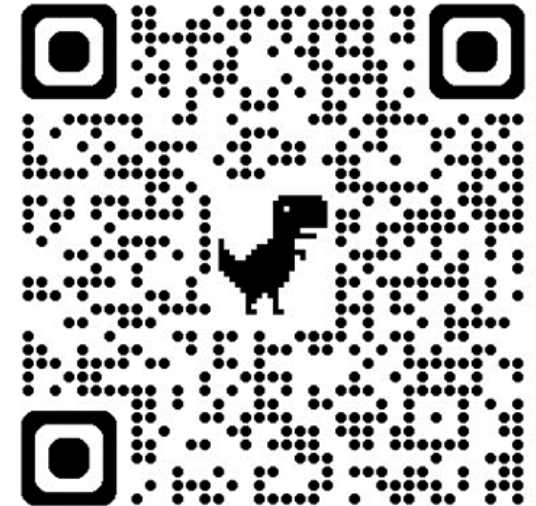
- Kona Q Healthy Restaurant

East Bay SBDC Services

- One-on-One Consulting Services
- Access to Capital and funding Assistance
- Trainings and Workshops
- 20 Experienced Professional Advisors to provide advising services
- **FREE** to small businesses

Contact Info

- Website: <https://www.eastbaysbdc.org/>
- Sign up for services: go to website and click 
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Thank You



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