

START SMART

YOUNG ENTREPRENEURS PROGRAM

BUSINESS PLAN

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BUSINESS PLAN

WHY DO I NEED THIS?

A business plan is like a roadmap. It allows you to plan out the various aspects of your business on paper and keeps you from making unnecessary mistakes later on. It helps an entrepreneur think about the costs associated with starting a business and show banks that you are serious about your idea.

EXECUTIVE SUMMARY

Definition: ***A brief overview of the main points of your business plan.***
It should provide a snapshot of your business, even if readers don't go through the entire plan.
Prompt: ***Imagine you're at school or church and someone asks about your business or business idea.*** *How would you explain it in a few sentences?*

VALUE PROPOSITION

Definition: ***The unique value your product or service provides to customers***.
It answers the question, "Why would someone buy from you instead of your competitors?"
Prompt: ***What's the main reason someone would choose your business over another one?*** Think about what makes your idea unique or better.

MARKET ANALYSIS

Definition: ***A study of your potential customers and competitors.***
It identifies who your customers are, what they want, and how you can reach them, as well as understanding who your competitors are and what they offer.
Prompts: (Customers) ***Who are the people you believe will want to buy your product/service?*** Describe them.
(Competitors) ***Do you know of any businesses (real or hypothetical) that are similar to yours?*** What do they do well, and what can you do better?

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IDEA

What is your big idea? Is it a product? A service?

_____

_____

_____

What makes your idea unique?

_____

_____

What do existing products/services not offer that yours will?

_____

_____

Why will people buy it?

_____

_____

MARKETING

Who will be your customers?

_____

_____

How will you get the word out about your business? Will you email your friends? Put up signs? Put ads in the newspaper?

_____

_____

What is the name of your business?

_____

What does this name say about your business?

_____

_____

Is it unique? Memorable? Easy to pronounce

_____

FINANCES

Startup Costs: How much will it cost to start your business?
What will you need to buy before you can get started? Materials? Equipment? How much will those things cost?

_____

_____

The amount of money you need to launch your business is called the "startup cost". Where will you get the money to cover your startup costs?
Are you getting a loan from a family member? Taking money out of your savings account?

_____

_____

COST PER UNIT

What is the cost of making each product or providing each hour of service?
(Cost per unit)

_____

_____

List each expense, and divide your total expenses by the number of products you will make or number of hours you will work, as follows:

Product: Cost per product = total expenses / number of products that can be made
Service: Cost per hour of service = total expenses / number of hours of work

PRICING

How much will you charge?

_____

How does your pricing compare to your competitors?
(Make sure you set your price above the cost per unit)

_____

_____

PROFIT

What will be your profit? How much will you make on each sale after you subtract your expenses?

PROFIT = INCOME – EXPENSES

Sale price of item: _____

Cost of item: _____

Profit: _____

What will you do with the money you make?
Will you buy more supplies? Save for college? Donate to charity?

- **Make a plan for spending, saving, and sharing.**

- **What are your financial goals?**

- **Don't forget to set aside money to reinvest in the business.**

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