



DIFFERENT WORKS

# RLI PROFESSIONAL SERVICES GROUP LEARNING EVENT PSGLE 130

## Business Plan Basics



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# COURSE DESCRIPTION

Many business owners think that a formal business plan is only necessary when the company is a start-up. However, a business plan is important to the success of any business whether you're just starting out or have been in business for years. The U.S. Small Business Administration states on their website that **“A business plan is an essential roadmap for business success.”** Your business plan sets the wheels in motion for **what you plan to do and how you plan to do it.** The result is a picture of what you want your business to look like both short-term and in the future.



# LEARNING OBJECTIVES

Understand why you should have a business plan and its importance to your firm's success

Explore what you need to do to before you can begin writing your plan

**Business Plan**

Learn the essential components of a well thought out business plan

Learn about tools and resources that will help you write your plan



# WHO CARES?



**Business Planning blah, blah, blah...**



# WHO CARES?

Employees

Investors

Customers

Family

Stakeholders



# WHY HAVE A BUSINESS PLAN?

A holistic look at your business

- Your Value Proposition
- Your Market
- Your Operations
- Your Staffing



which provides sales tools for:

- Building Customer Relationships
- Recruiting and Retaining Key Employees
- Gaining Investor Interest



that allow you to:

- Monitor progress
- Hold yourself accountable
- Have control over the future of your business



# HOW DO I START?



# SWOT ANALYSIS

## Strengths

What do you do better than others?

What unique capabilities do you possess?

What resources do you have?

What do others see as your strengths?

## Weaknesses

What do your competitors do better than you?

What can you improve given the current situation?

What do others perceive as your weaknesses?

Why would a potential customer choose your competitor over you?

## Opportunities

What trends or conditions may positively impact you?

What opportunities are available to you?

What are your customers saying?

## Threats

What trends or conditions may negatively impact you?

What are your competitors doing that may impact you?

Do you have solid financial support?

What impact do weaknesses have on the threats to you?



# SWOT ANALYSIS - STRENGTHS

What are your strengths?

What do you do better than your competitors?

Do you have any unique capabilities?

What do your customers need or want?

What do others see as your strengths?

Why should a customer choose you over your competitor?



# SWOT ANALYSIS - WEAKNESSES

What are your weaknesses?

What do your competitors do better than you?

Can you improve the current situation?

What do others see as your weaknesses?

Why would a potential customer choose your competitor over you?



# SWOT ANALYSIS - OPPORTUNITIES

Where do you see your opportunities?

Are you in a position to capitalize on any trends?

Do current conditions give you a competitive advantage?

What are your customers saying?



# SWOT ANALYSIS - THREATS

What trends or conditions may negatively impact you?

What are your competitors doing that may impact you?

Do you have solid financial support?

What impact do weaknesses have on the threats to you?



# SWOT ANALYSIS TABLE

## Strengths

- Capabilities?
- Competitive advantages?
- Resources, Assets, People?
- Experience, knowledge, data?
- Location and geographical?
- Price, value, quality?
- Cultural, attitudinal, behavioral?

## Weaknesses

- Gaps in capabilities?
- Lack of competitive strength?
- Reputation, presence and reach?
- Financials?
- Known vulnerabilities?
- Reliability of data?
- Processes and systems, etc?

## Opportunities

- Market developments?
- Competitors' vulnerabilities?
- Industry or lifestyle trends?
- Partnerships, agencies, distribution?
- Market volume demand trends?
- Seasonal influences?

## Threats

- Political effects?
- Legislative effects?
- Market demand?
- Obstacles faced?
- Employment market?
- Economy?
- Seasonal effects?



# SWOT ANALYSIS MATRIX

	Strengths (internal)	Weaknesses (internal)
Opportunities (external)	<p>strengths/opportunities</p> <ul style="list-style-type: none"><li>•Natural priorities</li><li>•Likely to produce greatest ROI</li><li>•May be quickest and easiest to implement</li></ul>	<p>weaknesses/opportunities</p> <ul style="list-style-type: none"><li>•Potentially attractive opportunity</li><li>•Likely to produce good returns</li></ul>
Threats (external)	<p>strengths/threats</p> <ul style="list-style-type: none"><li>•Defend with strengths</li><li>•Basic awareness, planning, and implementation required</li><li>•Generally safe options</li></ul>	<p>weaknesses/threats</p> <ul style="list-style-type: none"><li>•Potentially high risk</li><li>•If risk is high assess capability gaps and plan to defend</li></ul>

# COMPONENTS OF A BUSINESS PLAN

Executive Summary

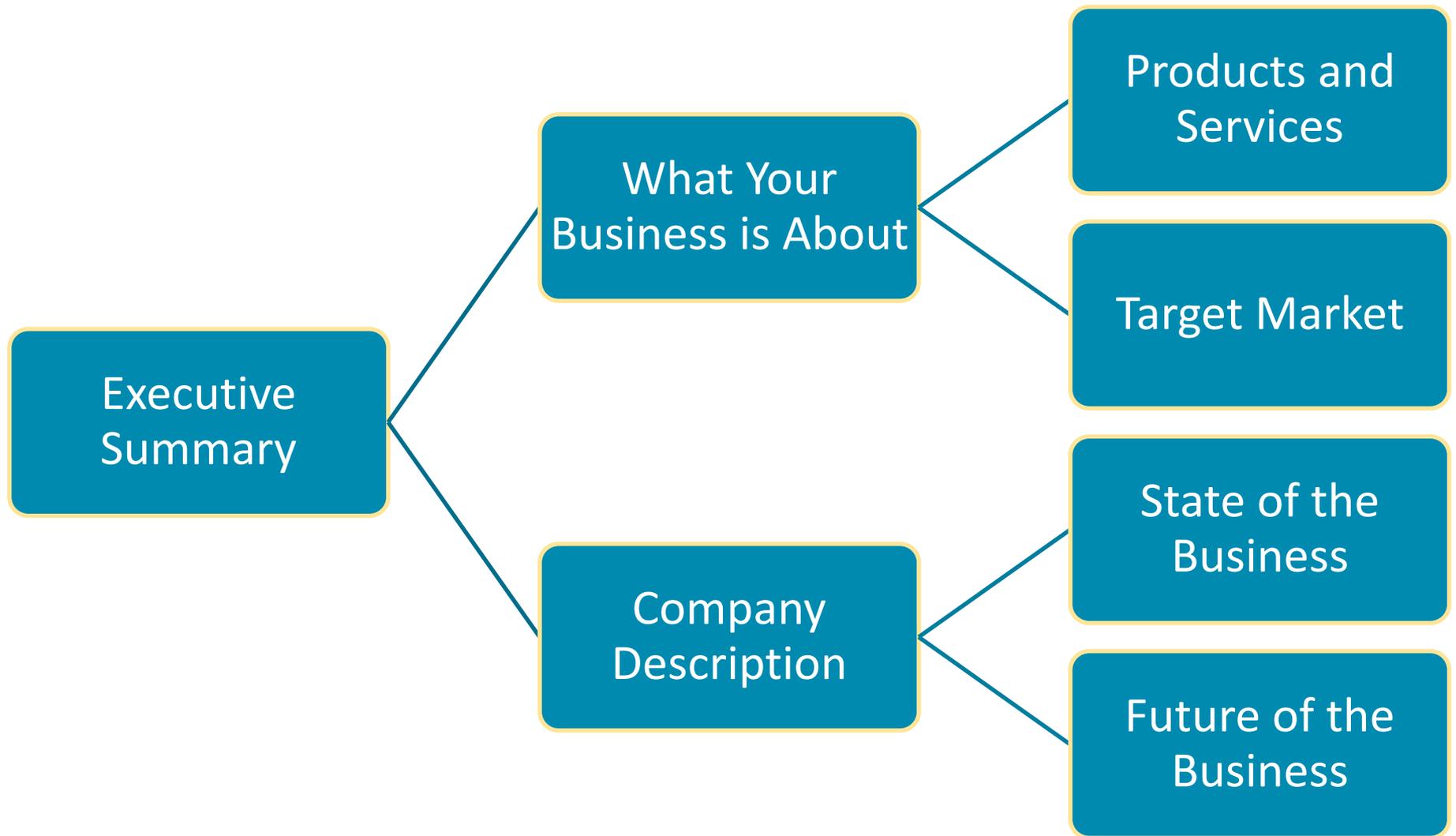
SWOT Analysis

Marketing and Sales Plan

Financials



# EXECUTIVE SUMMARY



# SWOT ANALYSIS SUMMARY

## Strengths

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# MARKETING AND SALES PLAN

- Positioning Statement
  - How you plan to reach your target market
  - How you plan to sell to your target market
- Pricing Plan
- Promotion Strategy
  - Packaging
  - Advertising
  - Content marketing
  - Social media strategy
- Activities and Partnerships



# FINANCIALS

## Financial plans include:

- 12-month projections
- 3-5 years of annual projections
- A sales forecast:
  - Direct expenses (i.e. mailing, software, travel)
  - Indirect expenses (i.e. rental, insurance, overhead costs)



# TIPS

Get rid of fluff

Be realistic

Show you're conservative

Visuals are good

Be creative

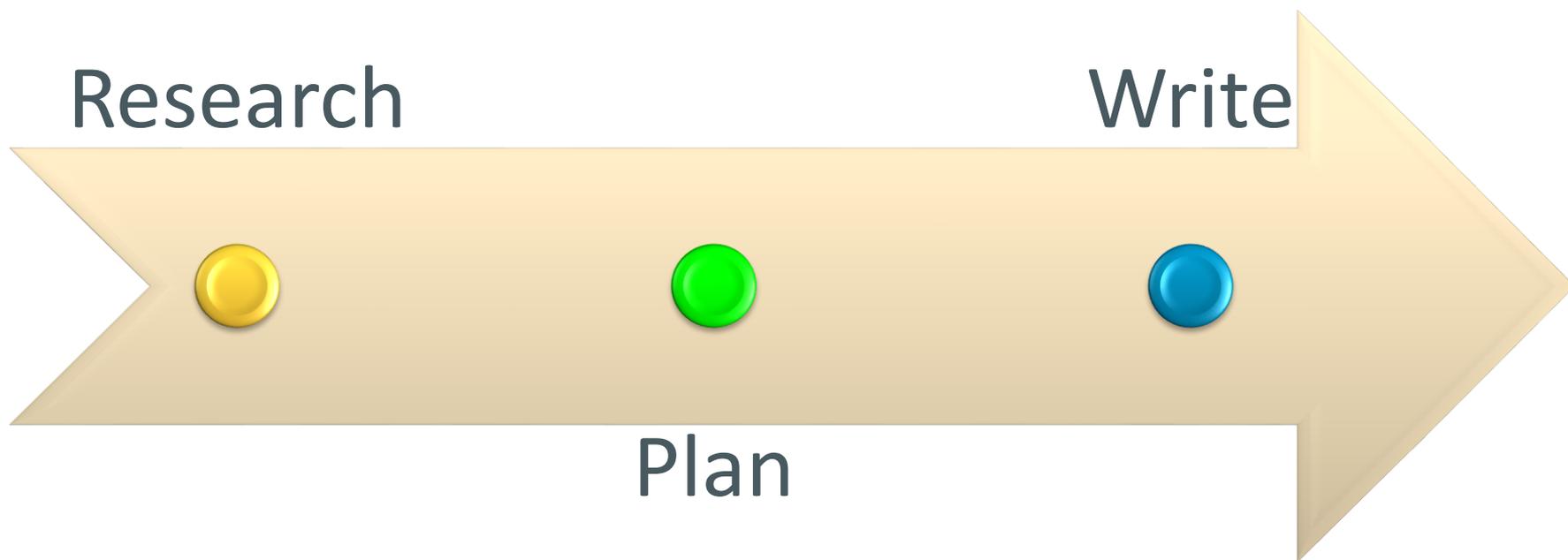


# TOOLS

## Use Business Charts



# CALL TO ACTION



# RESOURCES

- The U.S. Small Business Administration  
[www.sba.gov](http://www.sba.gov)
- SCORE  
[www.score.org](http://www.score.org)
- Industry publications
- Business planning expert/consultant



**Thank you for your time!**

**QUESTIONS??**

This concludes the Professional Services Group  
Learning Event

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