



CONSULTING CORNER

Straight answers to tough questions related to owning and operating a small business.

by Ruth A. Sheets, MBA

Writing A Business Plan

Writing a business plan seems like an overwhelming task, where should I begin?

Start with listing your products and/or services, identifying potential customers for each of them, then specify the value that you will provide to those customers or the customer needs that will be satisfied. Ultimately you must also identify how your company can productively and profitably serve these needs. As you embark upon this process, begin to define the business you will be in over the course of the business plan period. Although only a starting point, these elements are the foundation of every business plan.

Products and Services: When defining your products and/or services, compare them with those of the competition. List any advantages or disadvantages of your products/services. Think about ways to overcome the disadvantages. Identify the characteristics that make your product/service superior to similar offerings. List any potential threats to your ability to make your products or offer your services. Again, this represents only a few of the issues you should address when considering this matter.

The Market: Potential customers make up the market for your products or services. The more you know about these potential customers, the better able you will be to focus your efforts on selling to them. Try to segment your customers into groups that share specific characteristics that are relevant to their desire to purchase from your business. To be successful, your marketing efforts must address each distinct market. Determine if the market is large enough to support substantial growth or if the market is not currently being satisfactorily served by competitors.

Value Added: When considering the value you will provide customers, take your focus away from the "commodity" you have to offer or what you "do" for a client. Think about what differentiates your products/services from those of your competitors. Try to focus on the solutions/benefits/results you provide.

Defining the Business: One way to define your business is to allow your potential customer's needs or wants to define your business. For example, to many of us, the events of September 11 directly impacted our sense of security. So, imagine that a company sells locks, safes, inspections, guards, and alarms. If that company defines itself as a security company, then the commodities it sells become tools for how the company does what it does. Consequently, by definition, this company provides security, not locks and alarms.

Another way to define your business is by gauging how your customers perceive you. This process may help you to understand the image that you have earned. Your goal then becomes to use that image to your advantage. For example, consider the public's perceptions of Amtrak? Is Amtrak in the railroad business, the transportation business or the travel business?

Putting It Together: To tie this all together, I will use myself as an example. As a business consultant, working with start ups, fix ups and build ups, I offer business plan writing and assistance, among other services. My customer base for this service is highly dependent upon the reason for writing the business plan. For companies that need a business plan to secure funding, I have two sets of customers-the businesses seeking funding and commercial lenders. My goal is to create a partnership with and between the lender and the borrower. The value that I provide to each customer set is different but complementary. I maximize business success by helping borrowers to create sound, lender-ready business plans that have addressed the critical issues that determine business viability. I minimize the risk to lenders by helping them to give a reality test to the business plan they will review. Creating a lender ready business plan solidifies the fit between the borrower and lender.

The foundation for any business plan is conveying a clear understanding of what business you are in, what value you provide to your customers, and how you will profitably serve those needs. Get started on your road map to business success!

Ruth Sheets of Ducks in a Row Consulting provides strategic business consulting to start ups, fix ups, and build ups to turn business pains into business gains. With an operational and marketing focus Ruth works with companies in various stages of transition to launch new products and services, target new markets, eliminate barriers to business viability, and establish and achieve business goals. To obtain more information about **Ruth Sheets** and **Ducks in a Row Consulting** please visit www.ducksinarowconsulting.com or call 978-463-2264.

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