



MAINE SMALL BUSINESS
DEVELOPMENT CENTERS

Writing a Business Plan

Presented By:

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Funded in part through a cooperative agreement with the U.S. Small Business Administration

Housekeeping

- This is being recorded and will be emailed to you after the presentation.
- Please keep yourself on mute.
- Submit any questions in the chat.



What does the Maine SBDC do?

Provides no-cost and confidential business advising to current and aspiring Maine business owners!

- Business Planning and Startups
- Business Transitions and Exits
- Assistance with Credit and Financing
- Financial Analysis
- Cash Flow Projections
- Marketing and Sales
- Operations Management
- Much More!



Writing a Business Plan - Workshop objectives

- CONTENT:
 - Why ?
 - What ? (Elements of BP)
- FORMAT:
 - 30 minutes; Q&A follows

Start with a Poll:

Where are you in the business development process?

1. I want to start a business but don't know what type yet.
2. I have an idea but don't know where to start.
3. I'm making sales but not an official/legal "business".
4. I think I'm "in business" but I need a plan.
5. Other

Definition: *What is a Business Plan?*

A business plan is a written document that describes your business (start-up, existing, expansion, transition).

Business Plan

- WHY?
 - Objective?
 - Audience?
- What is it?
 - Narrative
 - Numbers



Why do you need to write a business plan?

1. Road map
2. Test the idea
3. The better your plan, the better your chances for success.
4. Lender said to

Refer to it often ... Update it regularly ...

Business Planning

- Rigorous business research is necessary
- Business plans are only as good as the research which precedes it!
- Your plan should focus on **“how”**, not **“what”**.
- It is not a writing exercise but a research endeavor.
- Be thorough, use due diligence.
- The market is always changing.

What should your business plan demonstrate?

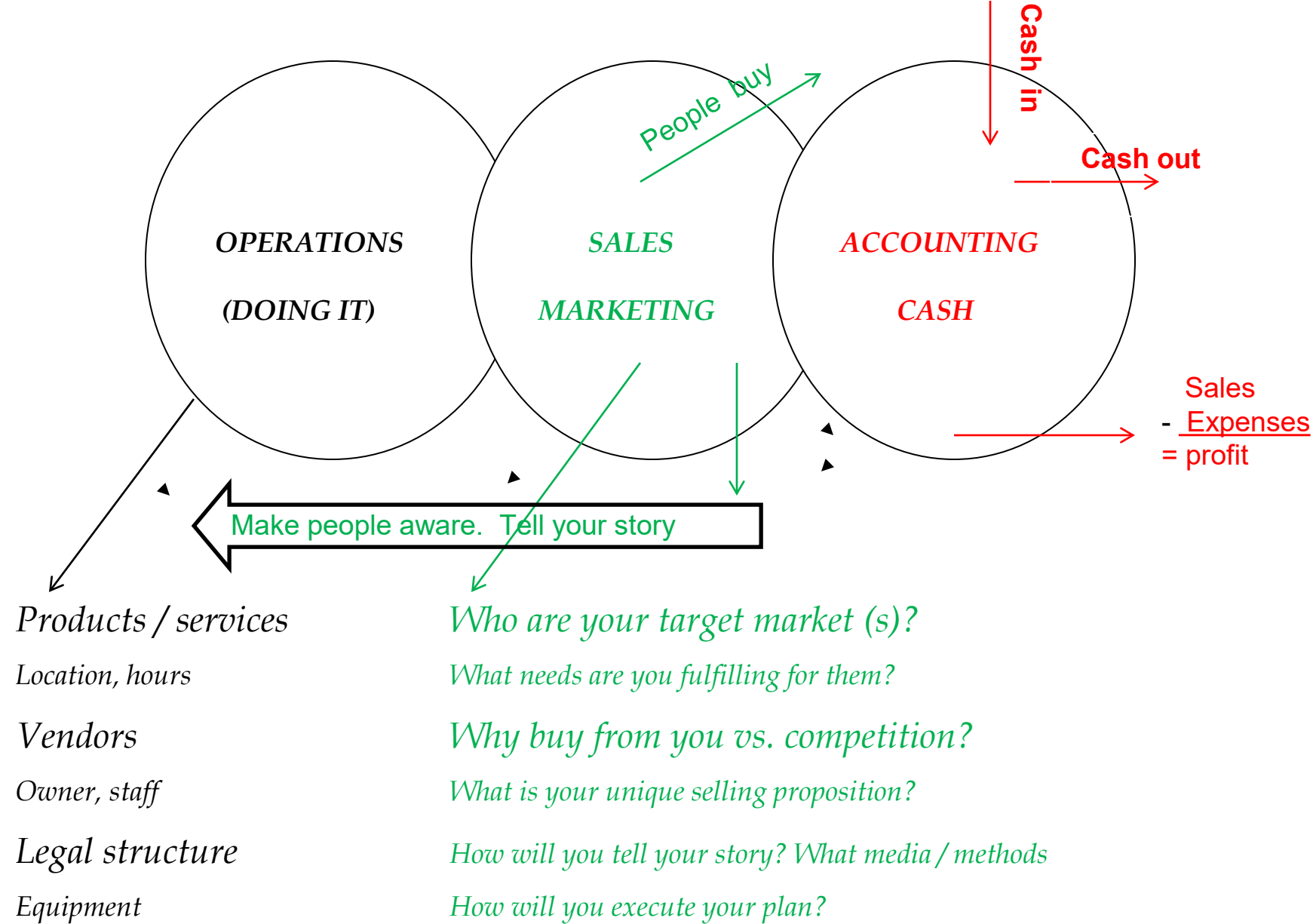
Your business plan should convince you first --- and then the bank (if necessary) --- that your business idea is:

- Feasible
- Desirable

Digging in



Business Plan



Description of the Business

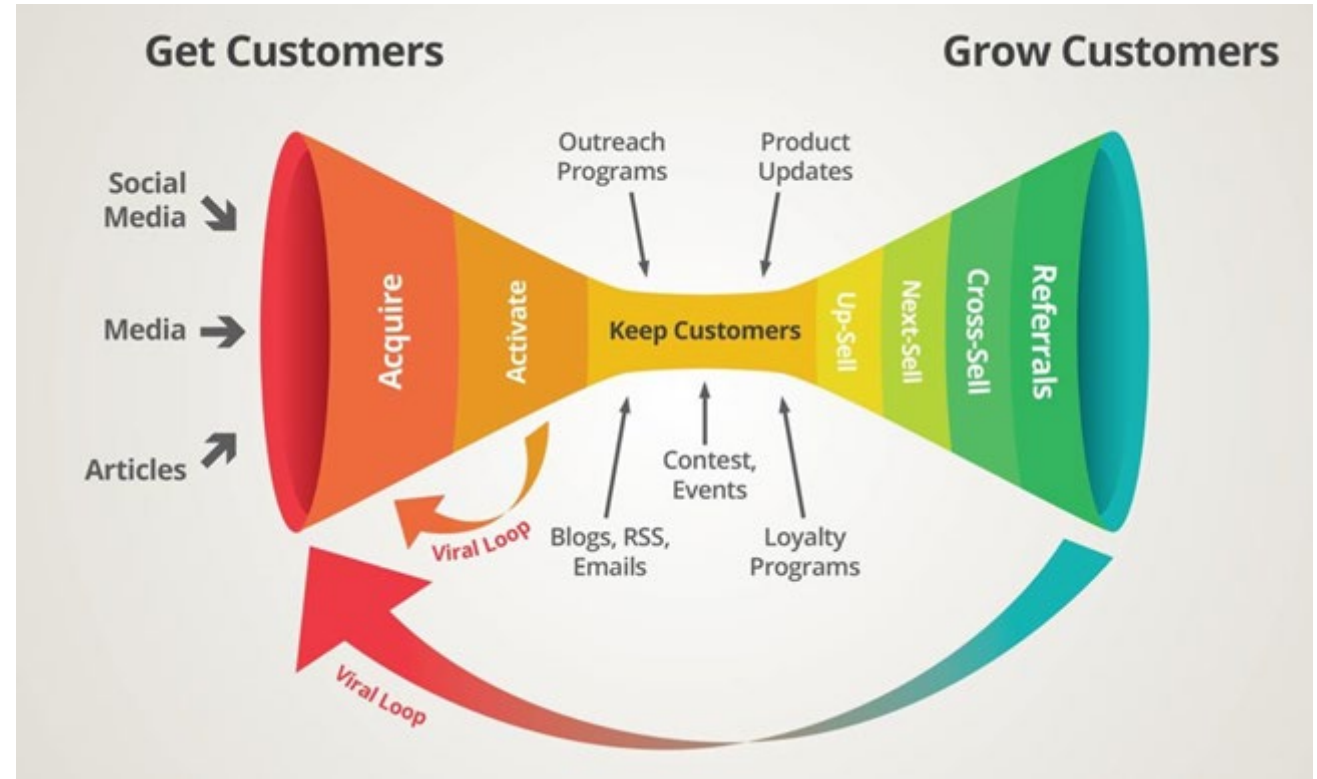
- Product or Service description
- Location of business, existing or necessary equipment, operating requirements etc.
- Day to day operations of the business
- Legal and ownership structure of the business

Marketing Plan

- Defines the business you are in
- Identifies target markets (who)
- Identifies what your customers buy (what)
- Identifies how to deliver your message (advertising)

Customer Funnel

- Get
- Keep
- Grow



Management and Operations

- What will your responsibilities be?
- Will you hire employees?
- What are the job responsibilities, salaries & benefits?
- Will you be providing benefits?
- Will you use accountants, attorneys, advisors, etc?
- Do you need licenses and permits
- What hours will you be open?

Financials & Cash Flow



Cash Flow Projections

- Feasibility
- Financing
- Pricing/Hiring Decisions
- Budgeting
- Seasonality
- Goals

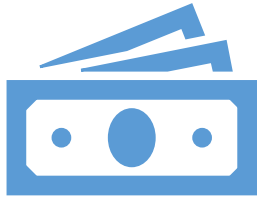
Why?



Cash Flow from Operations Projections

Cash In	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Totals
Sales Income- Revenue Stream 1													\$ -
Sales Income- Revenue Stream 2													\$ -
Etc.													\$ -
TOTAL CASH	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash Out: Variable Costs													
Cost of Goods- Revenue Stream 1													\$ -
Cost of Goods- Revenue Stream 2													\$ -
Etc.													\$ -
Gross Profit: Cash minus COGS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash Out: Expenses													
Labor													\$ -
Insurance													\$ -
Rent													\$ -
Utilities													\$ -
Marketing													\$ -
Office													\$ -
Etc.													\$ -
SubTotal Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Profit (EBITDA)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Finance and Misc. Expenses													
Bank Payment													\$ -
Sub Total Fin. & Misc. Exp.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Cash (monthly)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative Cash Flow (YTD)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

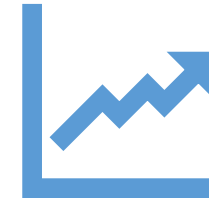
Financing Your Business



**Sources and Uses of
Funds**

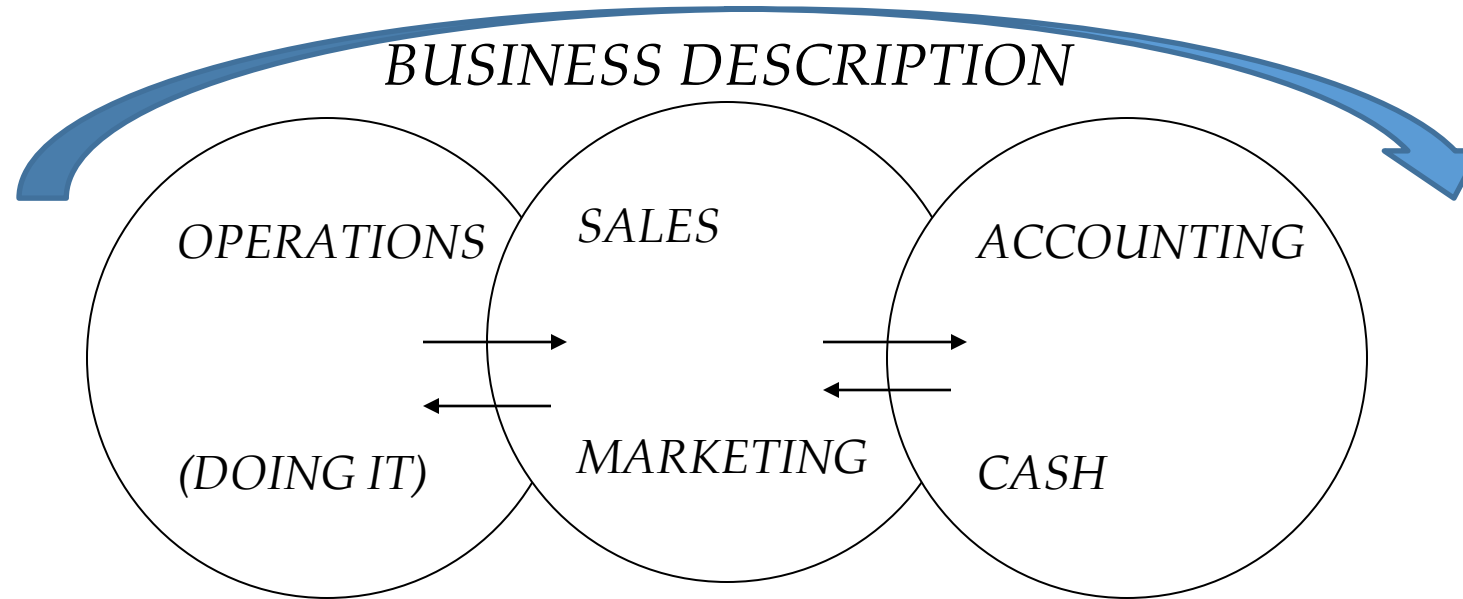


**C's of Credit
(if for a lender)**



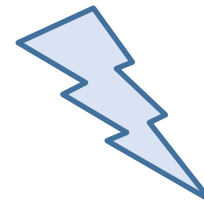
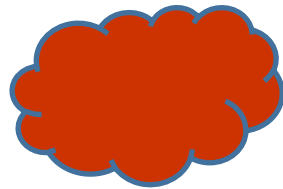
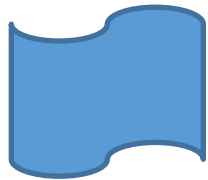
Cash flow projections

The 3 Critical Areas for Any Business



Most People don't have equal skills in all 3 areas and often don't even LIKE at least one area.

Putting the pieces together



The Business Plan – Outline

- I. Description of Business
- II. Marketing Plan
 - a. Competition
 - b. Marketing Strategy
- III. Management Plan
- IV. Financial Plan
 - a. Cash Flow Projections
 - b. Sources and Uses of Funds
- v. Appendix - Supporting documents

Appendix

- Copies of contracts for your services
- Copies of partnering/licensing agreements
- Patent information
- Letters of support from members of the community.
- Letters of reference from customers/contacts.
- Quotes for equipment purchases
- Copies of marketing materials...brochures, business cards, etc.
- Resumes
- Other

Samples

- AgPlan - [AgPlan \(umcn.edu\)](http://umcn.edu)
- Writing a Business Plan - <https://www.mainesbdc.org/wp-content/uploads/2018/12/Maine-SBDC-Business-Plan-Guide.pdf>



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Questions?

- 
- Business Plan