

Where do I start?

THE IMPORTANCE OF BUSINESS PLANNING



Who is Community Futures

- An independently run not-for-profit organizations focused on building rural entrepreneurial capacity, with an emphasis on long-range strategic planning and results.
- Established in 1986, we are federally funded through Western Diversification Canada.
- Invests time, resources and expertise in entrepreneurs and their community. We are a relationship/developmental lender.
- We help businesses succeed and grow by providing business counselling and repayable capital investment.
- We have a variety of products and services to assist entrepreneurs.

www.cfnanaimo.org

So....What is a Business Plan?

- A very important strategic tool for entrepreneurs. It should be used to help run your company with a more cohesive vision.
- Not only helps entrepreneurs to focus on the specific steps necessary to make business ideas succeed, but it also helps to achieve both short-term and long-term objectives.
- It is a roadmap. By truly analyzing your plan for marketing, sales, manufacturing, website design, etc., you greatly improve your chances for success.

Clarifying the purpose and direction of your business is more important than anything else.



Why develop a Business Plan?

1. TO MAKE SOUND DECISIONS

As an entrepreneur, having a business plan helps you to define and focus on your business ideas and business strategies. You not only concentrate on financial matters, but also on management issues, human resource planning, technology and creating value for your customer.

2. TO RAISE MONEY FOR YOUR BUSINESS

Potential investors or lenders want a written business plan before they give you money. A mere description of your business concept is not enough. Instead, ensure you have a thorough business and financial plan that demonstrates the likelihood of success and how much you will need for your business to take off.

3. TO HELP YOU IDENTIFY POTENTIAL WEAKNESSES

Having a business plan helps you to identify potential pitfalls in your idea. You can also share the plan with others who can give you their opinions and advice. Identify experts and professionals who are at a position to give you invaluable advice, and share your plan with them.

4. TO COMMUNICATE YOUR IDEAS WITH STAKEHOLDERS

A business plan is a communication tool that you can use to secure investment capital from financial institutions or lenders. It can also be used to convince people to work for your enterprise, to secure credit from suppliers, and to attract potential customers.

Have you Done Your Research?

- Market research is a vital part of your business plan, including creating a viability report.
- What is your value proposition?
- Do you know who your target market is?
- What segment of the population will buy your product or service?
- What are they willing to pay for that product or service?
- Who is your competition – how will you differentiate yourself from them?



Customer Segments >	Who are your customers? What do they think? See? Feel? Do? Who is your target market? Your ideal customer?
Value Propositions >	What's compelling about your business? Why do customers buy or use your product or service? What problems do your customers have? What do you offer in your products or services that solve your customers problems and satisfy their needs?
Channels >	How are these propositions promoted, sold and delivered? Why? Is it working? Communication, distribution and sales channels. Where are your customers? How can you reach them with information about your products / services?
Customer Relationships >	How do you interact with your customers? What kind of relationship does your customer expect from you? What will you do to get, keep and grow your customers segments?
Revenue Streams >	How does your business earn revenue? How will you receive payment for your product/service? Are they one-time or recurring revenues? What is your pricing structure for your products/services?
Key Activities >	What uniquely strategic activities does your business do to deliver your products/services?
Key Resources >	What unique strategic assets does your business need to be competitive? What do you need to leverage your business? Human Resources? Equipment? Leases? Buildings?
Key Partnerships >	What can you outsource to other organizations/suppliers so that you can focus on your key activities?
Cost Structure >	What are the business' major cost drivers? How are they linked to revenue? What are the key costs your business will need to prepare for in order the manage the business?

BUSINESS MODEL CANVAS - The Business Model Canvas is a business tool used to visualize all the building blocks of starting a business, including customers, route to market, value proposition and finance.

Key Partners Click or tap here to enter text.	Key Activities Click or tap here to enter text.	Value Proposition Click or tap here to enter text.	Customer Relationships	Customer Segments Click or tap here to enter text.
Cost Structure Click or tap here to enter text.	Key Resources Click or tap here to enter text.		Channels Click or tap here to enter text.	

7 Key Elements of a Business Plan

SUMMARY STATEMENT

The summary statement should enable prospective investors to identify and understand the highlights of the business plan. Note: Although the Summary Statement appears first in the business plan, it should not be written until the plan has been completed.

STRATEGIC OBJECTIVES

Indicates precisely what your company is attempting to accomplish

KEY PLAYERS

Brief biographies in the form of conventional resumes

THE CONSUMER

Includes the demographics, psychographics, and geographical region of your potential consumers

COMPETITION

Presents a factual account of the alternative sources where the consumer could spend his or her disposable income

PENETRATION STRATEGY

Describes the manner in which you will be reaching your consumer. A description of the general strategy by which you will be generating revenues is definitely advisable

THE FORECASTS

A pro forma is a model financial statement describing a set of conditions that does not yet exist.

Where Can it go Wrong?

- Underestimating how long it takes to get up and running – licenses, permits, financing.
- Underestimating how much time, energy and organization you will need. Without a team you need to factor the costs of hiring professionals to assist.
- Underestimating how much it costs – insurances, legal fees, leasehold improvements
- Housing mortgages/rates and commercial mortgages/rates are two VERY different things!
- How many customers you expect and how many you will actually see, especially in start up phase.
- Over optimistic cash flows / it takes time to earn revenue.
- No owners draw accounted for.
- Fixed versus variable expenses.
- Using your credit card(s) to float company during start up phase.
- No concrete marketing strategy.

Who Can Help?

This is an essential step and critical for the planning and viability of your business.

- www.cfnanaimo.org
- www.smallbusinessbc.ca
- www.futurpreneur.ca
- www.smallbusinesssolver.com
- www.womensenterprise.ca
- www.bdc.ca

There are many templates available to assist you.

Starting a Small Business Guide

- http://www.resourcecentre.gov.bc.ca/pdf/Start_SmlBusiness.pdf

We're here to help!

THANK YOU FOR YOUR TIME



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