What is a business plan?
Written statement of your business model
Business model - the set of processes by which your business will operate to serve customers and generate revenues
   Compare Hollywood Video vs. Netflix video rentals vs. downloads

Why should you do a business plan?
Benefits to you as the entrepreneur and to the business; value of the exercise
Audiences for the business plan
   • Entrepreneur – forces systematic planning about how to develop the business
   • Partners in business, reach consensus on business model
   • Prospective hires, esp. managers and executives
   • Financing sources - FFA (friends, family, associates), government programs, banks, angel investors, venture capitalists. Maybe major vendors (to give credit).
   • Media (newspapers, magazines, radio, television) for article, program

What should be in a business plan?
Outline (two-pages) from Wisconsin Department of Commerce (EPG)

How should you do a business plan
Think through the business model before write it
Get lots of feedback, especially critical feedback from:
Sometimes start with financial projections if is possible issue wrt profitability
Business plan software - the plans they create generally have low credibility

What can go wrong in writing a business plan?
Too long or too short
Not focused, meandering, speculative, feelings and beliefs
Lack of hard data, information, no market research
One or more sections are weak (usually marketing or financial) or missing
Market niche too narrow
Financial projections not credible, not detailed enough, missing assumptions
Grandiose ideas, overly aggressive plans

Questions and answers
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