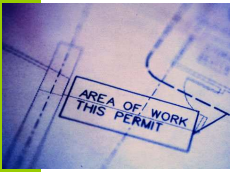




CREATING YOUR BUSINESS PLAN



***Make no little plans. Make the biggest one you can think of,
and spend the rest of your life carrying it out.***

—Harry S. Truman

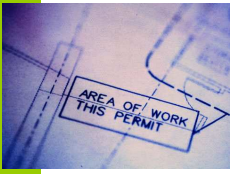
When I started my first business I didn't have a solid, well-thought-out business plan. I threw together a rough one that I used to apply for a bank loan (which I didn't get, by the way), but I didn't have one like I am providing for you. If you take the time to research and answer all these questions, you will have a much clearer idea of what your expenses will be, who your potential customers are, and who your competition is.

A good business plan will also help you figure out approximately what your business will cost to get off the ground. You don't want to guess at this! It's often a good idea to speak with an accountant or an attorney about what it will take to start up your business. Knowing your costs will help you decide what you're going to charge. Keep in mind that women tend to undervalue their services dramatically. One mother confessed to me that what she charges by the hour now is three times more than when she started just a short time ago.

Most businesses fail because they don't have a clearly spelled-out business plan. Don't make that mistake! Fill out the information as accurately as possible. The more questions you can answer now, the fewer surprises you'll encounter down the road. A well-researched plan not only helps you define your goals, but it is also a document you can present to a loan officer or other potential loan source.

Business Plan

Read through the business plan before you begin answering questions. Undoubtedly, you will find that there are questions you can't answer. That's where you'll need to do more research. You may want to contact a small business counselor or another mom with a home business for advice. Chapters 6, 7, and 8, which cover the topics of money, legalities, and marketing in more depth, may also help you find some answers. Once you have finished these chapters, go back and finish filling in the blanks.



What Is My Business?

1. What is my business exactly? Explain in one or two sentences. (If you can't describe your business in a couple of sentences, rethink your business and focus your idea.)

2. Am I selling a product or providing a service?

3. Is my particular business needed? List the reasons that make me think so.

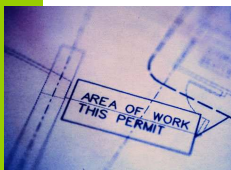
4. Where do I see my business being in one year? In three years? In five years? (Be as specific as possible.)

Start-up Costs

1. How will I fund my business? (Include loans, credit cards, and personal savings. If you're using any sort of loan, remember to figure in finance charges.)

2. What equipment will I need to purchase to start my business (computer, car, sewing machine)?

How much will it cost? \$ _____



3. What office supplies will I need (letterhead, business cards, envelopes, paper, and so on)?

How much will each item cost? (Don't forget printing costs.) \$ _____

4. What permits and licenses will I need?

What will they cost? \$ _____

5. What organizations should I join to help my business grow? (For example, your local Chamber of Commerce, women's entrepreneurial groups, local WAHM groups.)

How much are the membership fees? \$ _____

6. What trade publications will help me in my home business? (For example, crafting magazines, accounting magazines, Home Office Computing, WAHM publications.)

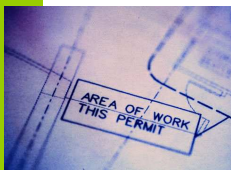
What are the subscription fees? \$ _____

7. What Insurance will I need? (For example, health, liability, etc.)

Total Cost: \$ _____

8. What miscellaneous costs remain? (For example, factor in higher phone and utility bills.) \$ _____

Marketing



1. How would I describe my target customer? (Include sex, age, occupation, and income bracket.)

2. What publications does my target customer read?

3. What type of organizations does my target customer belong to?

Should I join these organizations? If so, what will the cost be? \$ _____

4. What is the best way to reach my potential customer without having to place an ad? (For example, write a press release, teach a class/seminar, or write a column for your local paper.)

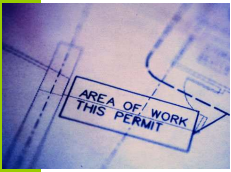
5. If I place an ad, which publications will be best?

How much is it going to cost? \$ _____

6. Will I make my own ads or have someone help me?

How much will it cost? \$ _____

7. Will I create my own website or hire someone to do this? Do I need a webpage at this time? If not, what other ways can I advertise on the Internet?



How much will it cost? \$ _____

8. How else can I advertise? (For example, flyers, brochures, a sign on the side of your car.)

What are those costs? \$ _____

Competition

1. What other businesses will I be competing with?

2. Have similar businesses failed? Why?

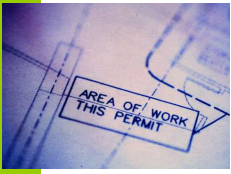
3. What makes my business different from my competitor's business? (Include price, quality, unique services, and so on.)

4. How does my competitor get its customers?

5. How much is my competitor charging? \$ _____

6. How well is my competitor's business doing?

Why?



Daycare

1. Will I need daycare?

2. How many days a week and for how many hours?

3. Will I hire someone to come into the house or will I use outside daycare?

4. How many days a week and for how many hours?

What will be the cost? \$ _____

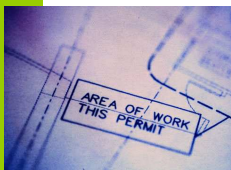
5. Can a family member or friend provide free daycare?

Home Office

1. Is there a room in the house where I can set up an office?

2. If I need to fix up a room to make it an office, how much will this cost?

\$ _____



Miscellaneous

1. What will my working hours be?

2. Will my customers come to the house, or will I deliver my service or product?

3. Will I need to use a car in my business?

If so, how much will this cost? \$ _____

4. Will I place my product in craft malls, fairs, or galleries?

If so, how much will this cost? \$ _____

5. If I'm selling a product, who will I buy my supplies from?

6. How much money do I need to make each month to help the family survive?

\$ _____

Each year? \$ _____

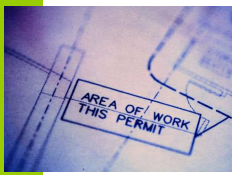
What's the Cost of Doing Business?

Add up costs in all sections of this plan.

1. What are my total costs? \$ _____

2. How much money do I have to put into the business to get it off the ground (supplies, equipment, advertising, and so on)? \$ _____

3. What are my ongoing costs (utilities, daycare, marketing, and so on)? \$ _____



4. What should I charge to cover my costs and make a profit? \$_____

Need Help?

A business plan isn't a one-time deal. You need to pull your business plan out regularly and make changes. As your business grows you will encounter new challenges that you will need to find solutions for. If filling out this plan gave you more questions than answers, call your local Small Business Development Center or a SCORE program for help. They offer free assistance and have a lot of wonderful knowledge to share (see Resources).

*This is an excerpt from Liz Folger's Book "The Stay-at-Home Mom's Guide To Making Money From home."

