

# YALI ENTREPRENEURS

## Workbook Two: Writing Your Business Plan



Create. Innovate. Prosper.

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U.S. DEPARTMENT *of* STATE



## WHAT IS YALI ENTREPRENEURS?

[YALIEntrepreneurs](#) is an initiative to help you take your business idea from thought to fruition. By completing each of the three YALIEntrepreneurs Workbooks, you will be able to identify the skills, interests, and big ideas you need to make your business a reality. You will walk through the business planning process—exploring key sections each business needs to launch and grow. You also will refine your business plan to help you pitch your idea to potential investors, partners, and other stakeholders.

## YALI ENTREPRENEURS WORKBOOK TWO | WRITING YOUR BUSINESS PLAN

Welcome to YALIEntrepreneurs Workbook Two | Writing Your Business Plan. In this workbook, you will learn what it takes to draft a strategic and thoughtful business plan. This workbook uses your business idea from Workbook One to create a business plan that outlines the big picture and how you plan to achieve it. Ready to get started?

## WRITING YOUR BUSINESS PLAN

Your business plan is the foundation of your company. A good business plan guides you through each stage of starting and managing your organization. You'll use your business plan as a road map for how to structure, run and grow your new initiative. Your business plan will be a way to think through the key elements of your business.

## STEP ONE:

Using your business idea, complete the following prompts for ideas on how to position your future business as a major competitor.

1. In “Workbook One | Finding Your Inner Entrepreneur,” you identified both a challenge and a unique business solution. Share your business idea here:

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2. Considering your business idea above, answer the following questions to get a good sense of your market:

- **Demand:** Are you confident that there is a need for your product or service?

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- **Market size:** About how many people would be interested in your product or service?

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- **Location:** Where do your customers live and how far can your business realistically reach?

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- **Market saturation:** How many similar options are already available to consumers?

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- **Pricing:** What do potential customers pay for these alternatives?

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Business plans can help you get funding or bring on new business partners. Investors want to feel confident they'll see a return on their investment. Your business plan is the tool you'll use to convince people that working with you, or investing in your company, is a smart choice.

Most business plans fall into one of two categories: traditional or lean-startup. Traditional business plans are more common, use a standard structure and encourage you to go into detail in each section. Lean-startup business plans focus on summarizing only the most important points.

## STEP TWO:

Many entrepreneurs would agree it's better to be overprepared than underprepared. Using the chart below, write your lean start-up business plan. Don't spend too much time going into detail, as you'll have the opportunity to expound on each section when writing your tradition business plan.

<b>Business Name:</b>	
<b>Identity</b> Write your business idea here.	<b>Problem</b> What challenge will your business solve?
<b>Our solution</b> What is your business' unique solution to the challenge above?	<b>Target market</b> Who is your target audience? Include information about demographics.
<b>The competition</b> Who are the competitors in the market you're looking to enter? Be sure to list all major competitors, including small business and online providers.	<b>Revenue streams</b> How will you sell your product or service to your customer? Include all potential streams of income.
<b>Marketing activities</b> How will your business reach your target audience? How do you plan on informing new and returning customers of your product or service?	<b>Expenses</b> What major expenses do you anticipate getting your business off the ground?
<b>Team and key roles</b> List your business' employees and partners, and their individual roles.	<b>Milestones</b> List your top three SMART Goals for your business that will also serve as indicators of success (See below for a definition of a SMART goal).

### REMINDER:

A **SMART** goal is an objective that is specific, measurable, attainable, realistic, and timely. An example of a **SMART** goal is the following: Plan three workshops over the next four months with 15 attendees at each session and a 70 percent satisfaction rate.

### STEP THREE:

Now, it's time to write your traditional business plan. This will take longer than the lean start-up plan, but don't rush yourself through the process. Take all the time you need to be intentional and to think critically about your future business.

### TIP:

Remember, creating a business plan is one of the most important steps you will take because the plan serves as your road map for the early years of your business. A business plan generally projects a few years ahead and outlines the route you intend to take to reach your SMART Goals. A well-thought-out plan also helps you to step back and think objectively about the key elements of your business venture.

## Executive Summary

An executive summary is an introduction to your business. This section should be clear, concise and to the point. We recommend that you revisit this section to review your work after completing the other sections of the business plan to assure consistency and maintain accuracy. The key elements of an executive summary should answer the following:

- **What challenge will your business idea solve?**
- **What product or service will your business provide?**
- **Who are your target customers?**
- **What goals do you have for your company?**

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## Service or Product Line

Describe in detail what your product or service is and how it will meet the needs of your customers. Explain the benefits of your product or service, the advantages it has over the competition, and its current development stage (e.g., idea, prototype or other). Be sure to include:

- **What products or services will your company provide.**
- **Your pricing structure.**
- **The current life cycle stage your product or service is in.**
- **What intellectual property rights you have for your product or service.**

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<b>Product/Service:</b>	<b>Price Structure/Cost:</b>
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## Marketing and Sales

Your goal in this section is to describe how you'll attract and retain customers. You'll also describe how a sale will actually happen. You'll refer to this section later when you make financial projections, so make sure to thoroughly describe your complete marketing and sales strategies. Questions to answer:

- **What is your plan to grow your company?**
- **How will you communicate with your customers?**
- **How will you sell your product or service?**

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## PROFIT AND LOSS:

Use this worksheet to begin calculating the startup costs for your business. Change expense categories or add new ones to fit your business. Enter one-time and monthly expenses in the appropriate columns. Your estimates should go into the Budget column. Total funds required is the total estimated amount you need to start your company.

One-Time Expenses	Budget
Rent	
Security Deposit	
First Month's Rent	
Utilities + Miscellaneous	
<b>Improvement Costs</b>	
<b>Inventory Costs</b>	
<b>Miscellaneous</b>	
Signage	
Technology	
Legal Fees	
<b>Monthly Expenses</b>	
Rent	
<b>Employees</b>	
Salary	
Insurance	
<b>Supplies</b>	
<b>Marketing</b>	
<b>Miscellaneous</b>	

If you're ready to dive even deeper into the financials for your startup, visit the [Small Business Association](#) website for a step-by-step guide on how to accurately write the financial section of a business plan.

**NEXT STEPS:**

**CONGRATULATIONS!** You've completed Workbook Two and now have a business plan you can show to investors! Be sure to share your experiences on social media using the hashtag **#YALIEntrepreneurs!**

# FINAL BUSINESS PLAN TEMPLATE

Name: \_\_\_\_\_

Company Name: \_\_\_\_\_

## Executive Summary

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## Company Description

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## Market Analysis

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## Service or Product Line

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## Marketing and Sales

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## Funding Request

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## Financial Projections

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## PROFIT AND LOSS

One-Time Expenses	Budget
Rent	
Security Deposit	
First Month's Rent	
Utilities + Miscellaneous	
<b>Improvement Costs</b>	
<b>Inventory Costs</b>	
<b>Miscellaneous</b>	
Signage	
Technology	
Legal Fees	
<b>Monthly Expenses</b>	
Rent	
<b>Employees</b>	
Salary	
Insurance	
<b>Supplies</b>	
<b>Marketing</b>	
<b>Miscellaneous</b>	