

## BUSINESS PLAN - THE FIRST FIVE QUESTIONS

Starting with these basic questions will point you toward developing an excellent business plan. If you don't know the answers to all these questions don't worry, most people don't. Just answer what you know. Your SCORE mentor can help you answer the rest.

1. Describe your business idea and include as many answers to the following questions as possible:
  - a. Customers, Sales & Marketing
    - i. What are the products or services (hereafter "Products") to be sold?
    - ii. Where will the Products be sold and via what channel?
    - iii. How will they be sold?
    - iv. To whom will they be sold (prospective customers [Prospects])?
    - v. What is the average value of a sale?
    - vi. Once you win a customer will you have recurring sales?
    - vii. Why will prospects accept your offer over the competitor's offer?
    - viii. Who will manage the customer relationship?
    - ix. Who will manage marketing?
  - b. Operations
    - i. Where will your Products come from?
    - ii. How will your company add value to what is purchased and then sold?
    - iii. Who will manage operations?
    - iv. What are the typical payment terms for this type of business?
  - c. Finance & Accounting & Human Resources
    - i. How much money do you have to invest in the business?
    - ii. Where will the rest of the required capital come from?
    - iii. What assets will need to run the business for the first 6 months and about how much will they cost?
      1. Office lease?
      2. Furniture?
      3. Phone?
      4. Utilities?
      5. Computer?
      6. Etc?
    - iv. Who will manage finance?
2. What will you do in the business?
3. What other people will be involved in the business?
4. What facts or reasons make you believe your business will be successful, list?
5. Make a list of the facts, reasons and unanswered questions that describe the risks of business failure.

Starting and building a successful business is a challenging journey that is extremely rewarding when successful. By testing your ideas in the business plan writing stage you will most likely avoid many of the hiccups that are costly to a development stage business.