



LEAN BUSINESS PLANNING

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LEAN BUSINESS PLAN



Your business plan is a roadmap for how to structure, run, and grow your business. It's a way to think through the key elements of building a successful venture.

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.

As you know, the success of a business depends upon a lot of factors, including persistent hard work, prevailing economic trends, market needs, location, and the team you build. Having and revising your business plan guides and influence your growth and helps you move towards defined business objectives in a proactive manner.

This program is designed to provide an overview of how to write a Lean Business Plan.

BUSINESS PLAN OVERVIEW

What is a Business Plan and Why Do You Need One?

A business plan is a document that organizes and explains your plans for a business. A good business plan not only helps you focus on the specific steps necessary to make business ideas succeed, but it also helps you achieve short-term and long-term objectives. Additionally, helps you communicate your business idea to others, and validate your business model.

Who is the Business Plan For?

It's important to first understand who is the audience for your business plan, and that audience will likely change as you progress with the development of your business. Determining who the plan is for will help with deciding what it needs to contain and how formal it needs to be. Initially, your business plan is for you and perhaps your partners. Later, you may need to create a version for investors, lenders and potential landlords.

Do You Need a Formal Business Plan to be Successful in Business?

No, but it certainly helps! If done right, it helps you validate that your idea actually has the potential to become a successful and profitable small business.

There many different types of Business Plans, and the format or type that's right for you depends in part on what business phase you are in and who is the audience. Some argue formal business plans are outdated and nobody reads them. That's not entirely true. It depends on your audience and objectives. There are plenty of examples of highly successful businesses that started with no formal business plan (i.e. Southwest Airlines) and others that started with a more elaborate university project (i.e. Dell, FedEx). There are also businesses started with a simple pitch deck (i.e., AirBnB, Uber, etc.). Again, it depends on your objectives and finance needs.

Planning Can Help Companies Grow 30% Faster!

One study aggregated research on the business growth of 11,046 companies and found that *planning improved business performance*. Interestingly, this same study found that ***planning benefited existing companies even more than it benefited startups***.

But, this study still doesn't answer the question it raises: *Why would planning help a business that has a few years of history more than one that is just starting up?*

The answer most likely lies in the fact existing businesses know more about their customers and what their needs are than a new startup does. For an existing business, planning involves fewer guesses or assumptions that need to be proven, so the strategies they develop are based on more information.

Another study found that *companies* that plan grow 30 percent faster than those that don't. This study found plenty of businesses can find success without planning, but businesses with a plan grew faster and were more successful than those that didn't plan.

To reinforce the connection between planning and fast growth, yet another study found fast-growing companies – companies that had over 92% growth in sales from one year to the next – usually have business plans. In fact, *71% of fast-growing companies have plans*. They create budgets, set sales goals, and document their marketing and sales strategies. These companies don't always call their plans "business plans" but instead often refer to things like strategic plans, growth plans, and operational plans. Regardless of the name, it's all forward-looking planning.

The Quality of the Plan Matters

But, it's not as simple as it might appear. Just having a plan doesn't guarantee faster growth. It's the kind of plan you have and how you use it that really matters.

It turns out that startups, especially ones building highly innovative businesses, should create shorter, less detailed plans. That's because these innovative startups are learning new things about their product and customers at a very fast pace and their strategies change more frequently. Simpler plans - Lean Plans - can fit on a single page – get updated more frequently and are more helpful to these companies because they can review their strategy at a glance.

Meanwhile, more established companies know a lot more about their products and customers and can craft more detailed strategies that are less likely to change as quickly. For these companies, more detailed planning is generally more helpful.

The same study – the one that found that businesses grow faster with a plan – also found companies that did a good job defining their value proposition do even better than companies who have a hard time defining their customers' needs.

These researchers also found that having a plan is less about accurately predicting the future, and more about setting regular goals, tracking your actual progress toward those goals, and making changes to your business as you learn more about your customers.

Silicon Valley businesses like to call the act of changing strategic direction "pivoting." All it really means is that you need to stay nimble, keep your eyes open, and be willing to make changes in your business as you compare your actual results to your goals and gather additional feedback from your customers.

Being Prepared Matters When You're Seeking Funding

Over and over again, you hear venture capitalists talk about how much the team matters in a funding decision. Beyond just the team, you also hear them talk about passion – how much the entrepreneur believes in the idea.

But, it turns out there is something that surpasses passion when VCs make their decisions. Research shows how well an entrepreneur is prepared is much more important than how much passion they have.

What it means is that entrepreneurs need to have done some planning, in some form, so that they can be prepared to talk intelligently about their idea, their target market, their sales and marketing strategies, and so on.

So, the formal 40-page business plan document may not be useful when you're pitching VCs. But, you'd better have done some planning, so you can communicate verbally or through a pitch deck what would normally have been found in that written document.

And, not only will business planning help you be more prepared, it will actually improve your chances of getting funded. A study at the University of Oregon found that businesses with a plan were far more likely to get funding than those that didn't have a plan.

You're Less Likely to Fail if You Have a Plan

Nothing can absolutely prevent your company from failing, but it turns out that having a plan can help reduce your risks.

Yet another study of 223 companies found having a plan reduced the likelihood a business would fail. Having a plan didn't guarantee success, unfortunately. But, those companies with a plan had better chances of success than those that skipped the planning process.

Having a plan and updating it regularly means you are tracking your performance and making adjustments as you go. If things aren't working, you know it. And, if things are going well, you know what to do more of.

BUSINESS PLANS FOR EXISTING BUSINESSES

If you have an established business, doing or revising your plan can you. Here are some reasons why:

1. **Refine the business strategy:** A business plan can help existing businesses refine their strategies and focus their efforts on the most important goals. It can also help identify potential problems and opportunities that may have been overlooked.
2. **Set goals and objectives:** An existing business may have achieved some success, but it still needs to set new goals and objectives to continue growing and improving. A business plan can help identify these goals and outline a plan for achieving them.
3. **Secure funding:** If you are looking to expand or make significant investments, you may need to secure funding. A well-written plan can help convince potential investors or lenders your business is a good investment.
4. **Communicate with stakeholders:** A plan can help you communicate your goals and plans to employees, suppliers, and other stakeholders. This helps ensure everyone is on the same page and working towards the same objectives.
5. **Monitor progress:** A business plan can serve as a roadmap for your business, allowing you to track progress and make adjustments as needed. This helps ensure the business stays on track and continues to achieve its goals over time.

Overall, a new or revised business plan can help an existing business stay focused, identify new opportunities, and continue to grow and improve.

8 Reasons You Should Update Your Plan

1. A new financial period is about to begin. You may choose to update your plan annually, quarterly or even monthly if your business is in an industry that changes quickly.
2. Significant markets change. Shifting client tastes, consolidation trends among customers and altered regulatory climates can trigger a need for plan updates.
3. New or stronger competitors are looking to your customers for their growth.
4. Your company develops products, technology, services or skills. If your business has changed a lot since you wrote your plan, it's time for an update.
5. You have had a change in management. New managers should get fresh information.
6. Your company has crossed a threshold, such as moving out of a smaller location, or reached a milestone in sales or employing more people.
7. Your old plan doesn't seem to reflect reality anymore. Maybe you did a poor job the last time you created your plan. Maybe things have just changed faster than you expected.

THE LEAN BUSINESS PLAN



Lean Planning started with Tim Berry's 2008 book, "The Plan-As-You-Go Business Plan," which was a new way for entrepreneurs to think about planning. Instead of encouraging entrepreneurs to focus on developing long, in-depth, static business plans, Berry advocated for a simpler approach:

- **Define your business identity:** What's your value proposition to your customers?
- **Determine your target market:** You need to know and understand your customers.
- **Build an action plan:** How are you going to validate your assumptions and measure progress?
- **Develop a forecast:** Basic forecasts and budgets are critical; tracking them is even more so.

The idea here was business planning should no longer be just a single event. Instead, it should be a living tool that is revisited on a regular basis. "Plan-as-you-go" planning is about setting goals and objectives, defining accountability, and then revisiting and revising the plan as new information is discovered.

A lean plan is a template used for developing business models. It's a visual one-page description of a business. The Lean Plan, as a business planning tool, was specifically designed for small businesses and focuses on problems, solutions, key metrics, and competitive advantages.

The Lean Plan has a strong focus on the problem-solution fit, measurement of success, and includes your advantages that helps you differentiate against competitors. It's easy to follow and understand.

Advantages of the Lean Plan approach include:

- Avoids you from writing a lengthy document that no one reads.
- Avoids the analysis-paralysis that often comes with long business plan development.
- Works well for lean start-ups and also works well for existing businesses who have gone through changes.

A lean business plan does what every business owner and aspiring startup needs to manage strategy, tactics, execution, and essential business numbers. It stays lean and simple with just bullet points for essentials and a collection of lists and tables. It should be reviewed and revised at least monthly so it stays fresh.

A lean business plan steers the company toward its goals, and also to tracking and managing progress, expectations, and accountability.

LEAN PLAN DEVELOPMENT

You'll start with your business strategy – this is what you're going to do and what your goals are.

You'll document the following:

- **Identity:** This is a short summary of what you do.
- **Problem:** Describe the problem that your business solves.
- **Solution:** Describe how your business solves the problem.
- **Target Market:** Who are your customers? Try to be as specific as possible.
- **Competition:** How do customers solve their problem today? Are there alternatives?

Next, you'll go on to describe your business tactics. While strategy describes "what" you're going to do, tactics describe "how" you're going to do it. This includes:

- **Sales:** How will you sell your solution to your customers?
- **Marketing:** Describe your key marketing activities.
- **Team:** Potentially the most important part of the plan is who is going to help you implement the plan.
- **Partners & Resources:** What else do you need to turn your plan into a business?

Your business model is how your business will make money. If you've been in business for a while, you know this. If you're going to expand and need investment, you'll eventually want to develop a complete financial plan. Included in this section are:

- **Revenue:** Describe the key ways that you'll make money.
- **Expenses:** List your primary expenses. You don't need to go into a lot of detail with a one-page plan.

Finally, you'll want to develop a list of your key achievements.

- **Milestones:** These are the key achievements that you hope to accomplish. Be specific.

LEAN PLAN EXAMPLE

IDENTITY

We offer high-quality biking gear for families and regular people, not just gearheads.

PROBLEM WORTH SOLVING

It's hard to buy a new bike in this town without being an "insider" cycling expert.

OUR SOLUTION

- New Bikes
- Repairs
- University Patrol
- Clothing & Accessories
- Used Bikes

TARGET MARKET

- College students
- Young families
- Trail enthusiasts
- Parents

THE COMPETITION

- Local bike shops
- Big-box retailers
- Online retailers

SALES CHANNELS

We sell bicycles and accessories directly to customers through our bike shop. We also sell via our online store and at special bike enthusiast events.

MARKETING ACTIVITIES

- Host social media pages and website
- Partner with Travel Northwest
- Attend outdoor enthusiast trade shows
- Grand opening w/deals

REVENUE

- New Bikes
- Repairs
- University Patrol
- Clothing

EXPENSES

- Inventory
- Payroll
- Marketing

MILESTONES

Milestone 1	Milestone 2	Milestone 3	Milestone 4	Milestone 5
1/1/18	1/1/18	1/1/18	1/1/18	1/1/18

TEAM AND KEY ROLES

- Garrett McKenzie (Founder)
- Jill Bloom (Shop manager)
- Tom McKey (Advisor)

PARTNERS AND RESOURCES

- The Great Outdoors
- Travel Northwest
- Cycle Parts "R" Us

LEAN PLAN TEMPLATE

IDENTITY

PROBLEM WORTH SOLVING

OUR SOLUTION

TARGET MARKET

THE COMPETITION

SALES CHANNELS

MARKETING ACTIVITIES

REVENUE

EXPENSES

MILESTONES

TEAM AND KEY ROLES

PARTNERS AND RESOURCES

4 STEPS TO CREATING A LEAN PLAN

Step 1: Create a Lean Plan

The Lean Planning methodology starts with a one-page Lean Plan that you can create in 20 minutes. Lean Planning is a simple methodology and your Plan should be simple, too. Using the template, fill it in as you follow the steps below.

What to include in your Lean Plan

- **Strategy:** What you're going to do
- **Tactics:** How you're going to do it
- **Business model:** How you're going to make money
- **Schedule:** Who is doing what and when

Let's dive into each section.

Your business strategy

Your business strategy is simply an overview of what you want to do and who your customers and competitors are. Start by identifying the problem you are solving for people and follow up by explaining your solution to this problem.

The problem you're solving

Businesses exist to solve problems for customers. Their products and services fill a need. If all you have is a solution that is in search of a problem, you're going to have a hard time building a successful business. So, start with the other side of the equation and focus on how you can help your customers solve a problem.

Start small with just one or two sentences or a few bullet points to identify the problem you are solving. Do the same thing to describe your solution.






Your ideal customer

Next, describe your target market. Who is your ideal customer? If you know how many potential customers are out there, great. If you're in the early stages of fleshing out your business idea, don't worry too much about detailed market research. Instead, focus on defining your ideal customer—who are they, and what are their key attributes?

Your competition

Finally, create a shortlist of your competition. How do your potential customers solve their problems today?

That's it. A business strategy doesn't have to be complicated with Lean Planning. It's just a few bullet points that describe the essence of your business: what you're doing and who you're doing it for.

 IDENTITY <p>We offer high-quality biking gear for families and regular people, not just gearheads.</p>	
 PROBLEM WORTH SOLVING <p>It's hard to buy a good bike in this town without being an "insider" cycling expert.</p>	 OUR SOLUTION <p>Garrett's is a snob-free zone where regular people can get top-notch gear and expert advice.</p>
 TARGET MARKET <p>Young families College students Commuters</p>	 THE COMPETITION <p>Other local bike shops Big-box retailers Online retailers</p>

Tactics



The next section of is a short outline of your business tactics. This is just an outline of how you're going to make your strategy happen. You'll be thinking about sales, marketing, the team you might need, and any partners or outside resources you'll need to leverage.

Your sales strategy

Start by thinking through your sales strategy. Are you selling online or building a physical store? Maybe both? Or, perhaps your product will be sold in stores owned by other companies.

Your marketing strategy

Next comes your marketing strategy. How are you going to reach your customers? How do they find out that you exist and that you solve their problem?

 SALES CHANNELS <p>We sell bicycles and accessories directly to customers through our bike shop. We also sell via our online store.</p>	 MARKETING ACTIVITIES <ol style="list-style-type: none"> 1. Partner with Travel Northwest 2. Advertise in local publications 3. Grand Opening w/deals, contests 4. Host social media pages and website 5. Attend outdoor enthusiast trade shows
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Your team

If you need to build a team to grow your business, who are the key people that you'll need to hire? If you're an existing business, who are the critical employees that run the company and execute your strategy?

Key partners and resources


Finally, think about other businesses that you might need to work with to make your strategy happen. Are their key suppliers or distributors that you'll need to have relationships with?

Remember, this is a Lean Plan, so each of these sections should just be three to five bullet points each.

 TEAM AND KEY ROLES	 PARTNERS AND RESOURCES
Garrett: Owner Jill Bloom: Shop Manager Tom McKey: Advisor Heather Gibson: Investor	Johnson & Cohen: Accountants The Great Outdoors Travel Northwest Cycle Parts R Us

Schedule

Now it's time to build a schedule for your Lean Plan. Lean Planning is all about getting things done, so including a schedule is one of the most important things to include in your Lean Plan.

 MILESTONES	
Develop Q1 budget (Garrett, Dec. 15)	Scout locations (Garrett, Jan. 12)
Build website (Jill, Jan. 20)	List potential advertising publications (Tom, Feb. 22)

If you're a startup

Your next step is to get out from behind your desk and go talk to your potential customers. Your goal will be to verify that you've defined a solid strategy. To that end, a startup's schedule should include things like conducting customer interviews, sending out surveys, researching physical locations, interviewing potential suppliers, and so on.

If you're an established business

Your schedule will probably be focused on specific business milestones related to executing your strategy and implementing your tactics.

It's critical to have accountability here. Your schedule should have dates and people responsible for completing each task.

Finally, make sure to include a time to regularly review your Lean Plan. You'll want to review and revise this plan frequently, so having a regular review point is critical.

Business model

Even if you have a problem that's worth solving, a solid solution to the problem, and a target market that needs your solution, you don't have a business unless the numbers work out. You need a business model that works. The last component of your Lean Plan is a basic forecast and budget to ensure that a great idea can actually lead to a great business.

REVENUE	EXPENSES
1. Bikes	1. Payroll
2. Accessories	2. Rent
3. Clothing	3. Utilities
4. Service and repair	4. Insurance

Yes, forecasting and budgeting do mean looking into the future, and no one knows the future. But, it doesn't have to be as difficult as it sounds.

Putting together some basic, bottom-up sales forecasts and a simple budget for expenses will quickly tell you if you have a business model that works—one that can create a viable business that will pay the bills.

At this stage, it's important not to paint an incredibly rosy picture of your financial prospects. Instead, the sales forecasts should be as realistic as possible. Assume not nearly as many people as you think will show up in your store. Assume that your website won't get mainstream press coverage.

With this "realistic" forecast, do you still have a viable business? Can you turn a profit? If you can only be successful with incredibly high volumes of customers, you may need to take a second look at your pricing, expenses, and other aspects of your business model. Or, make sure that you get the kind of funding that's needed for large marketing and PR campaigns.

Step 2: Test the Plan

Now that you have your Lean Plan in hand, you're ready to start putting the plan into action to see if your ideas will work.

Depending on your business stage, you'll do this in different ways. If you're a startup with an unproven idea or an existing business that's considering a new strategic direction, your next step is to validate the ideas in your Lean Plan.

Your Lean Plan is just a set of assumptions about a business. Ask yourself:

- Do the target customers actually have the problem that you think they have?
- Does the solution you're proposing actually solve their problem?
- Do your target customers want to pay for your solution? How much?

Reducing risk is your goal in the early stages of starting a business

Starting a business is full of risks. There are just so many unknowns, and it's incredibly risky to just build your business based on a set of assumptions about your target market, their problems, and how they'll react to your solution.

Your Lean Plan is a really just a set of educated guesses that need to be answered and then revised on a continuous basis until most unknowns are removed. That's how you reduce risk.

So, you need to take the very simple, but very challenging step of actually talking to your potential customers.

Look at your first version of your Lean Plan as a set of assumptions that need to be proven true or false and then go back and revise your assumptions as you go. Refining your plan so that it's a collection of facts instead of guesses can be the difference between a successful business and a failure.

If your business is up and running, focus on implementation

For more mature businesses that already know a lot about their target customers, the goal of the plan is to help guide implementation. In this situation, use a Lean Plan to get everyone on the same page, set goals, and manage the business.

Step 3: Review Your Results

Both Silicon Valley startups and Main Street small businesses need to know how they are doing. Which means, "Are they growing according to plan?" Why or why not? If not, what changes need to be made? Should the plan change?

For startups

If you're just getting started and don't have many (or any) metrics to track yet, you should be reviewing the results of your customer interviews and any other information that you've gathered that would change your strategy. Perhaps you'll be refining your solution or even

tweaking the definition of the problem you are solving. Perhaps you'll refine your marketing and sales strategy.

For established businesses

Beyond tracking key financial metrics such as cash, sales, expenses, accounts receivable, and accounts payable, businesses must track the other key metrics critical to their success. These other key metrics might be website visits, foot traffic in the store, tables turned in a restaurant or any other core number that drives business success.

Reviewing your results regularly is key to better management and success. These metrics should be reviewed at least monthly in a regular plan review meeting with key business partners and employees. This is when you refine your plan and your pitch if necessary and track your ongoing action plan.

Step 4: Revise Your Plan

Lean Planning is a process, not just a document. It's all about continuous improvement. You're quickly defining a strategy, experimenting to see if that strategy works, reviewing the results, and revising the plan before you start again.

Lean Planning is never finished. It's simply a process for running your business better, more efficiently, and setting you and your team up for success.

What if you need a more detailed business plan?

There may be a time when you need a more detailed business plan. There's nothing wrong with that. Some people might want to read it, you may need to submit a full plan for funding and you might even want to document your strategy in more detail.

Your detailed business plan will be born from your Lean Plan. The ideas in your Lean Plan will transfer from bulleted lists to sentences and paragraphs. You'll add more detail to your sales and marketing strategy, your pricing strategy, and perhaps your manufacturing plans and distribution strategy.

Rochester Vintage Lean Plan Example

Value Proposition

At Rochester Vintage, we excel in cultivating a curated collection of high-end and unique vintage apparel items that are provided in-store and online. We seek to provide clothing that isn't found in the fast fashion industry, allowing individuals to show off their own distinct styles. This helps our customers keep a few extra dollars in their bank accounts, and reduce clothing waste, all while looking incredible.

The Problem

While Rochester, MN has some shopping options in the resale arena, consumers often complain the resale stores are filled with an abundance of low-quality and over-priced options that are time-consuming to wade through.

The Solution

A curated collection of vintage items including clothing, accessories, shoes, belts, bags, and records. Our aim is to stock cool, bizarre, and truly one-of-a-kind items offered at sensible prices with superior customer service that brings consistent customers.

Target Market

The primary market for the Rochester Vintage is young adults (e.g., U of M students) interested in purchasing well-made, cost-effective, and unique clothing. Common attributes include:

1. An interest in fashion, collecting, and design.
2. A desire to stand out amongst others.
3. Interest in hunting for a vintage item for a bargain.
4. A desire to support resale and sustainable fashion.

The secondary target market is shoppers that love to hunt for a treasure or a bargain.

Competitors & Differentiation

Current Alternatives:

- Several chain thrift stores (Savers, Goodwill, Salvation Army)
- A few locally owned vintage clothing stores (Thrift on Fifth, Danielle's Consignment.)
- Vintage furniture thrift store (Kismet, Old Rooster Antique Mall)
- Online-Web vintage clothing thrift shops (Etsy, eBay, Thrifted, Thrilling, Depop)

Why Us?

With each passing year, clothing waste increases. Simultaneously, people find themselves purchasing clothing that is:

1. Seen on other people.
2. Made of lesser quality and constructed cheaply.
3. Often contributes to poor working conditions for marginalized communities.

Thankfully, buying recycled items means that cheaply made fast-fashion pieces are kept out of the landfill while you stand out from the crowd in authentic vintage clothes. Rochester offers a wide selection of carefully chosen items both in-store and online. Vintage has history, vintage exudes character, and vintage means quality.

Funding Needs

The target leasing space on S. Broadway costs \$14.61 SF/YR for 700 square feet. Rent is calculated to be \$9,900 per year, \$825 per month, not including utilities or janitorial services. \$5,000 will go into remodeling retail space. The initial inventory cost will be \$15,000. Marketing cost for the launch of the business amounts to about \$2,000. Beginning operational costs of 1 year, including bills, employee salary, etc., amounts to \$25,000.

The total initial funding needed is \$56,900.

Sales Channels

1. Retail location
2. Website
3. Instagram
4. Google Ads
5. Facebook

Marketing Activities

1. Google Ads
2. Instagram
3. Facebook Ads
4. Affiliates/Influencers
5. Website
6. Blogs/Newspaper
7. Flyers/Signage

Financial Projections

Ongoing expenses will include utilities, employee salary, taxes, advertising, and insurance. Maintaining a consistent flowing inventory will be a significant cost to keep the store running effectively. Another consistent cost will include advertising expenses that cover paid ads, website maintenance, and affiliate/influencer contracts.

Revenue:

- 2023: \$65,000
- 2024: \$74,000
- 2025: \$87,000

Expenses/Costs:

- 2023: \$56,900
- 2024: \$60,000
- 2025: \$70,000

Profit:

- 2023: \$8,100
- 2024: \$14,000
- 2025: \$17,000

Milestones:

- Obtain necessary permits and licenses – August 1, 2023
- Finish renovations – August 21, 2023
- Install racks and shelves for merchandise – August 25, 2023
- Add initial store inventory – August 27, 2023
- Take professional photos of the space – August 31, 2023
- Create a website, social media, and google/yelp accounts – September 1, 2023
- Conduct interviews and make initial employee hire – September 5, 2023
- Open for business – September 15, 2023
- Google/Yelp review forecast – November 1, 2023
- Expand relationship tree for vintage clothes suppliers – December 15, 2023
- Add pop-up stand at local farmer's market – March 15, 2024

Team and Key Roles

Owner/Manager

Establishes the business and is in charge of overseeing the hiring of employees, managing inventory, and long-term business prospects of the store. Identifies avenues to establish new vendors/suppliers for vintage clothes, maintain a constant flow of inventory, and supervise daily activities of the store.

Sales Associate/Cashier

Assists owner in purchasing vintage clothes for instore consignment and identifying items that will sell. Operating a POS system to collect payment and maintaining a clean sales floor. Stocking and tracking new inventory as well as creating displays/tags for merchandise.

Partnerships & Resources

The goal of these partnerships is to create exposure to the immediate target market and increase Rochester Vintage's stake in the local vintage retail market. These resources will allow for continued expansion of inventory that will keep Rochester Vintage a premier and unique collection of vintage items.

- Donation-based stores: Using Goodwill and Saint Vinnies as a resource to find quality vintage clothing to then resell.
- Estate Sales: Develop relationships with local estate sale companies.
- Student Organizations: Identify organizations that have a strong desire for fashion and/or sustainability and target them via email and flyers.
- University Minnesota Students: Give discounted rates to students with proof of ID.
- Creation of Rochester Vintage Fashion Show: Allows for local fashion designers/artists to showcase their own works while giving access to Rochester Vintage's inventory.



If you would like to work with MBMentors on your business plan using LivePlan at no charge, we will ask you to complete the 11 questions on the following pages.

When you are ready, go to www.mbmentors.org and click on Request a Coach/Mentor or use this [link](#).

MBMENTORS LIVEPLAN WORKSHEETS

#1 WHAT IS THE PROBLEM?

State the problem (or problems) you solve for your target customers. “Problems” can also appear as unmet needs or wants – the lack of a good Caribbean restaurant in your town, for example. Be sure to tackle a problem that is important to your market. Just because a need is imperfectly met does not guarantee that anyone wants to pay for a better solution. What is it that your customers need and cannot find elsewhere? Even if your business isn’t unique, highlight the key reasons why your business needs to exist. Perhaps your location is unique, or your pricing strategy is different than that of your competitors.

DESCRIBE THE PROBLEM:

#2 WHAT IS YOUR SOLUTION?

Explain how you solve the problem that your customers face. What does your company offer? What is it about your solution that provides a uniquely effective remedy for their pain points? Don’t just name your products or services here. Give a sense of how they solve the problem in a novel or superior way. Summarize what you wrote in the Our Solution section. How do you solve the problem that your customers face? What makes your products or services compelling to them?

DESCRIBE THE SOLUTION:

#3 TARGET MARKET

What types of potential customers do you intend to focus on? Which group represents your primary market? Which others are worth pursuing? Selling to “everyone” is not a good approach. Take Nike as an example. Their shoes are broadly useful, but that doesn’t mean their target market is just “people with feet.” It’s tough to craft marketing messages and find sales channels to address nearly everyone in the world at once. Instead, Nike focuses on their best potential customers – aiming, say, the new Air Jordans at athletes, sports fans, young people with a sporty sense of style, and so on.

As you identify the best segments of the market for your solution, make your best guess at how many prospects are available in each segment and how much they typically spend each year to address the problem you solve. If you don’t know enough to put together these estimates, this is a great opportunity to do market research, talk to knowledgeable people in your industry, and get in conversation with potential customers. The more you know about your market now, the less chance you have of missing the mark later.

DESCRIBE YOUR TARGET MARKET:

#4 DESCRIBE THE COMPETITIVE LANDSCAPE

Make a short list of your competitors. If you don’t have obvious direct competitors, focus on other ways that your target customers satisfy their needs now. You may have the only bowling alley in town, for example, but you’re still competing for entertainment spending that might otherwise go to movie theaters or restaurants or the local skating rink. As you add competitors, describe what makes your offering more attractive. Do you offer a lower price? A unique experience? A better location? A more tailored solution for your particular customers?

COMPETITOR HOW OUR SOLUTION IS BETTER

#5 WHAT ARE YOUR FUNDING NEEDS?

If your company is seeking funding, enter the amount you would like to raise and describe how you intend to use that money to reach your goals.

Keep in mind that some countries have strict laws about soliciting investments. To be safe, limit your description to the planned use of funds. Do not describe what equity or other benefits you are offering in return for that funding.

If you are not seeking funding, you can hide this section of this pitch above.

HOW MUCH FUNDING ARE YOU SEEKING? HOW WILL YOU USE THESE FUNDS?

#6 SALES CHANNEL

Describe how you plan to get your products or services to market. Are you selling and delivering to your target customers directly through a retail store, website, or catalog? Do you have a sales team? Do you sell through intermediaries – distributors, dealers, resellers, or others? Identifying your sales channels is important to understanding the economics of your business model.

DESCRIBE YOUR SALES CHANNELS:

#7. MARKETING ACTIVITIES

Explain how you plan to attract attention, build interest in your offerings, and convert prospects into customers. Describe your web presence. What sort of online marketing do you do? Do you advertise online, in print, or elsewhere? Do you attend trade shows or sponsor events? If your direct marketing is largely done by resellers or dealers, what kind of marketing will you do to attract and keep those key partners?

DESCRIBE YOUR MARKETING ACTIVITIES:

#8. FORECAST MODEL

When you are confident that you have identified a market with a problem worth solving, it's time to put together a quick financial forecast for your solution. Can you turn a profit? Some opportunities look good at a glance, but don't hold up to financial scrutiny. If you are planning for an already established company, setting financial targets is just as important so you can track your progress in the coming year.

Revenue streams

If you aren't ready to prepare a detailed revenue forecast (or don't want to share revenue numbers in your pitch), just use the area to explain how your company will make money. Are you selling products directly? Or through third parties? Delivering services? Bringing in revenue from partnerships, royalties, or other arrangements?

DESCRIBE YOUR REVENUE STREAMS:

Major Costs

Use this area to explain the cost structure of your business. What are your major costs of doing business? How will your expenses scale as your company grows? Do you need to budget for capital equipment, property, or other major purchases?

DESCRIBE YOUR MAJOR COSTS:

#9. MILESTONES

Make a quick list of important milestones for your business. Choose major events or achievements that need to happen on time to keep your plan on track. Good examples might include launching a new product, entering a new market, adding a key hire to your management team, or finding the right location for your new store.

Your schedule can contain as many milestones as you like. Note that only the next five upcoming milestones will be featured on the pitch, though.

LIST YOUR MAJOR MILESTONES:

#10. TEAM AND KEY ROLES

Identify the key members of your organization and explain why their involvement is important to your future success. Include company owners and members of the management team. You may also want to add key employees with strategically valuable skills or connections, noteworthy roles you plan to fill later, trusted advisors, or other valuable contributors.

YOUR TEAM MEMBERS AND ROLES:

#11. PARTNERS AND RESOURCES

Use this section to identify any relationships, equipment, facilities, patents, or other resources that are strategically important to your business model. You can use this section to cover almost anything of note that is not addressed in the rest of the pitch. If you don't need it at all, just click the checkbox to hide it on your pitch.

LIST YOUR PARTNERS AND RESOURCES:

COMPETITION ANALYSIS WORKSHEET

Competitors are companies that make products or perform services similar to yours. As a new or operating business, you have to provide advantages to your customers enticing them to spend their money with you, as opposed to your competitors. Knowledge of the advantages and disadvantages of the competition is critical to your business planning.

COMPETITION ANALYSIS TOPIC	BUSINESS 1	BUSINESS 2	BUSINESS 3	BUSINESS 4
Where are your competitors located?				
How do their locations compare to yours?				
What are you competitor's annual sales?				
How is the company owned? Sole proprietorship, LLC, partnership, corporation, chain, franchise?				
How does their management and personnel experience and talent compare to yours?				
What are your competitor's major strengths?				
What are their major weaknesses?				
What products do your competitors sell?				
How do their products compare to yours? Quality, price, availability, appearance, etc.				
What is their pricing structure?				
How do their prices and product/service quality compare to yours?				
Who are the primary sources of supply for your competition?				

COMPETITION ANALYSIS TOPIC	BUSINESS 1	BUSINESS 2	BUSINESS 3	BUSINESS 4
What are your primary sources of supply and how do they compare to your competition?				
Describe the sales and marketing efforts of the competition.				
What are the strengths and weaknesses of their sales efforts?				
How do their sales and marketing efforts compare to yours?				
How would you rate the customer service activities of your competitors?				
How will your customer service efforts compare to those of your competition?				
Are your competitors expanding or cutting back? Why? How will this affect your business?				

FULL DETAILED BUSINESS PLAN TEMPLATE

The following pages show what a traditional, full detailed business includes. It's available from: www.bplans.com

Business Plan Template



CONFIDENTIAL

[Your company name here]

Your tagline

Business Plan

Prepared [date]

Contact Information

Jane Smith

jane@yourcompany.com

111-222-3333

www.yourcompany.com

1234 Main St.

Anywhere, OR 12345, USA

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Executive Summary

Opportunity

Problem Summary

INSTRUCTIONS: Describe very briefly why your business needs to exist. What problem do you solve for your customers?

Solution Summary

INSTRUCTIONS: Briefly summarize what your company does. The executive summary should be very short and you can go into more detail later in the plan.

Market

INSTRUCTIONS: Describe your target customer or market segments. Again, keep things very brief in the executive summary and add more detail later in the plan.

Competition

INSTRUCTIONS: Summarize your key competition. Who will your customers also consider?

Why Us?

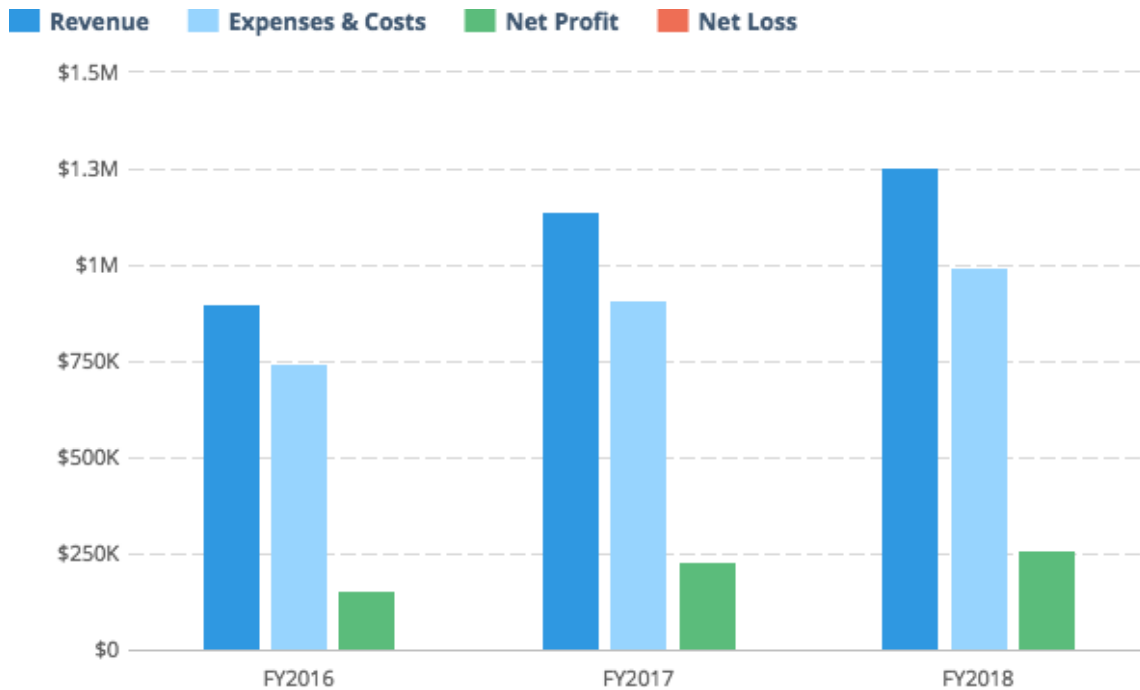
INSTRUCTIONS: Write a brief overview of you and your team. Why are you the right people to build this business?

Expectations

Forecast

INSTRUCTIONS: Write a brief overview of your financial targets. How much do you plan to sell in the next year? What are your long-term sales goals?

Financial Highlights by Year



INSTRUCTIONS: Insert a chart of your key financial metrics here. Tools like [LivePlan](#) will do this for you automatically.

Financing Needed

INSTRUCTIONS: If you are writing a business plan to raise money for your business, include a brief summary of what you are looking for. If you aren't raising money or getting a loan, you can delete this section.

Opportunity

Problem & Solution

Problem Worth Solving

INSTRUCTIONS: Write a little more detail than you provided in the Executive Summary about the problem you are solving. What do your customers need? Do they need a better product, a cheaper product, or just a store in a better location? Describe why customers will want to buy from you.

Our Solution

INSTRUCTIONS: Provide additional detail, beyond what you wrote in the Executive Summary, about your product or service. What is unique and special about your company that's going to set it apart from the competition?

Target Market

Market Size & Segments

INSTRUCTIONS: Describe your key customers – who they are and what their key attributes are. If your company is targeting multiple customer groups (also called 'segments'), describe each group here. If you can, include details about how many people are in each segment and how large the total market is.

Competition

Current Alternatives

INSTRUCTIONS: Describe your current competition. What products and services are people using instead of yours?

Our Advantages

INSTRUCTIONS: Explain why your product or service is better than the others. Also, be sure to describe any competitive advantages you may have, such as a patent or other unique component to your business.

Execution

Marketing & Sales

Marketing Plan

INSTRUCTIONS: Explain how you plan on getting the word out about your product to your target market(s). Will you use advertising? Perhaps you are developing a content marketing strategy. Whatever your marketing plans may be, describe them here.

Sales Plan

INSTRUCTIONS: If your company relies on sales people to close sales deals, you need a sales plan. Your sales plan should explain how you convert people who express interest in your product or service into paying customers. If you are opening a food truck, this section is less important and you can consider removing it. However, if you are starting a sales-heavy business like enterprise software or a car dealership, then you need to document how you will nurture leads and close deals.

Operations

Locations & Facilities

INSTRUCTIONS: Describe your company's physical locations. This might be your office, store locations, manufacturing plants, storage facilities — whatever is relevant to your business. How much space do you have available, and how well will it meet your current and future needs?

Technology

INSTRUCTIONS: Describe any important software, hardware, or other information technology that you use now or plan to use later to operate your business. That might include a point-of-sale system to take payments, an e-commerce engine for your website, a CRM solution for managing your pipeline, marketing tools for generating leads, and so on.

Equipment & Tools

INSTRUCTIONS: List any specialty equipment that you have or plan to acquire to do your work. This is an important component of the business plan for many industrial companies.

Milestones & Metrics

Milestones

INSTRUCTIONS: List your key milestones and the dates that you hope to accomplish them by. If you've already accomplished key goals for your business, list them here as evidence that your business is getting traction – in other words, it's getting positive attention from potential customers.

Key Metrics

INSTRUCTIONS: Explain which performance metrics are most important for understanding how your business is doing. What does success mean for you, and how will you know it when you see it?

Company

Overview

INSTRUCTIONS: Use this area to specify who owns your company. If there are multiple owners, describe each of them and how much of an ownership stake they have. Also, identify your company's legal structure. Is it a sole proprietorship — that is, just you working for yourself? Or a partnership, such as a limited-liability corporation (LLC) or partnership (LLP), where the profits pass through to the partners involved? Or a nonprofit organization? Or a proper S- or C-type corporation with its own tax obligations and the rest?

Team

Management Team

INSTRUCTIONS: List the members of the management team, including yourself. Describe each person's skills and experience and what they will be doing for the company. It's OK if you don't have everyone for a complete management team yet. In that case, make sure to identify gaps in your team that you intend to fill over time.

Advisors

INSTRUCTIONS: Describe any mentors, investors, former professors, industry or subject-matter experts, knowledgeable friends or family members, small-business counselors, or others who can help you as a business owner.

Financial Plan

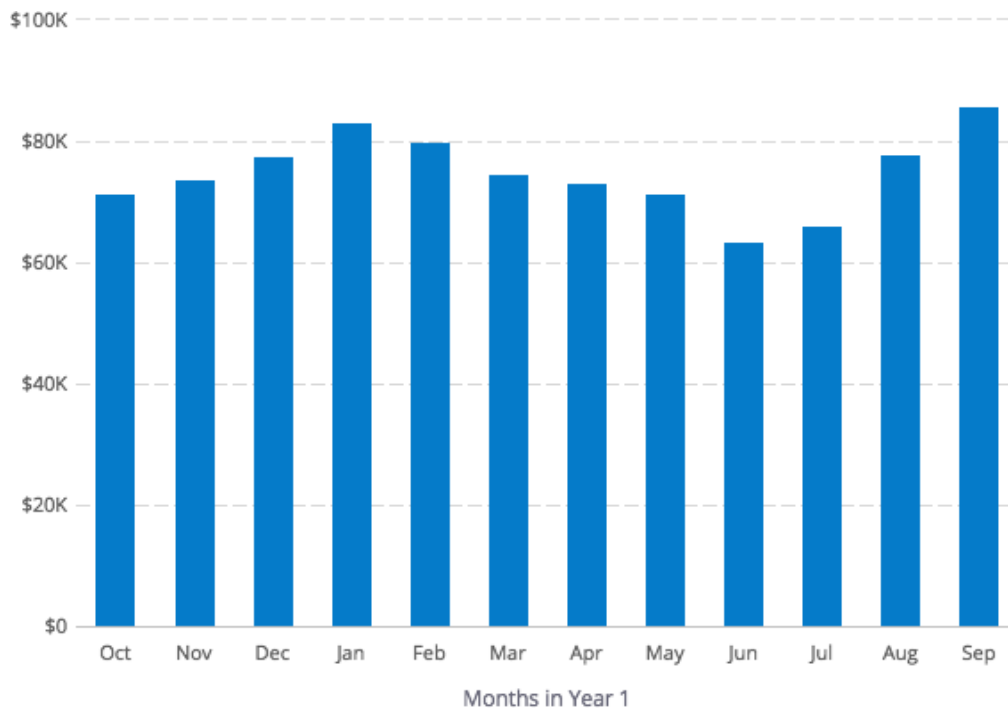
Forecast

Key Assumptions

INSTRUCTIONS: Describe how you came up with the values in your financial forecast. Did you project your revenue based on past results, market research, your best guess at how many people who visit your store and what percentage of them might buy, or some other method? What kind of growth are you assuming? What are your key hires and notable expenses? What level of profit do you expect to generate?

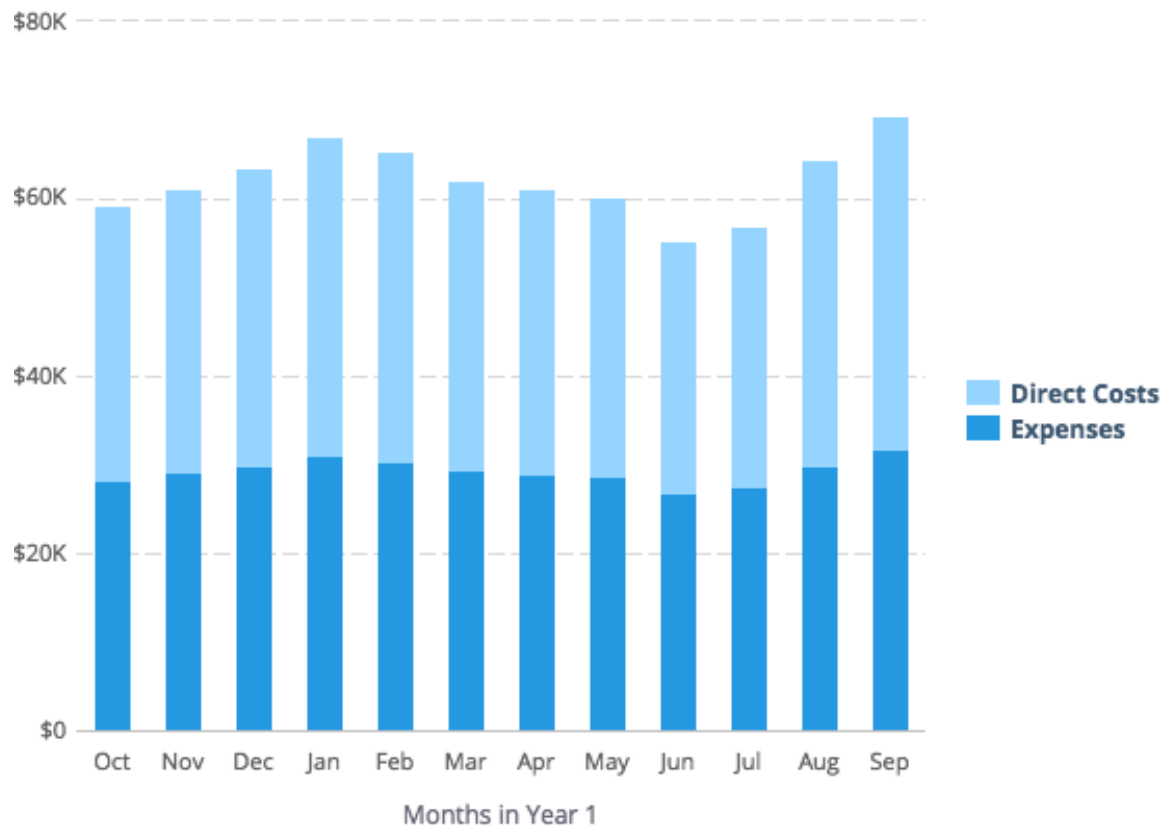
Revenue by Month

INSTRUCTIONS: Include a chart that shows your projected revenue. A tool like [LivePlan](#) can help you create a chart like this and automatically include it in your business plan.



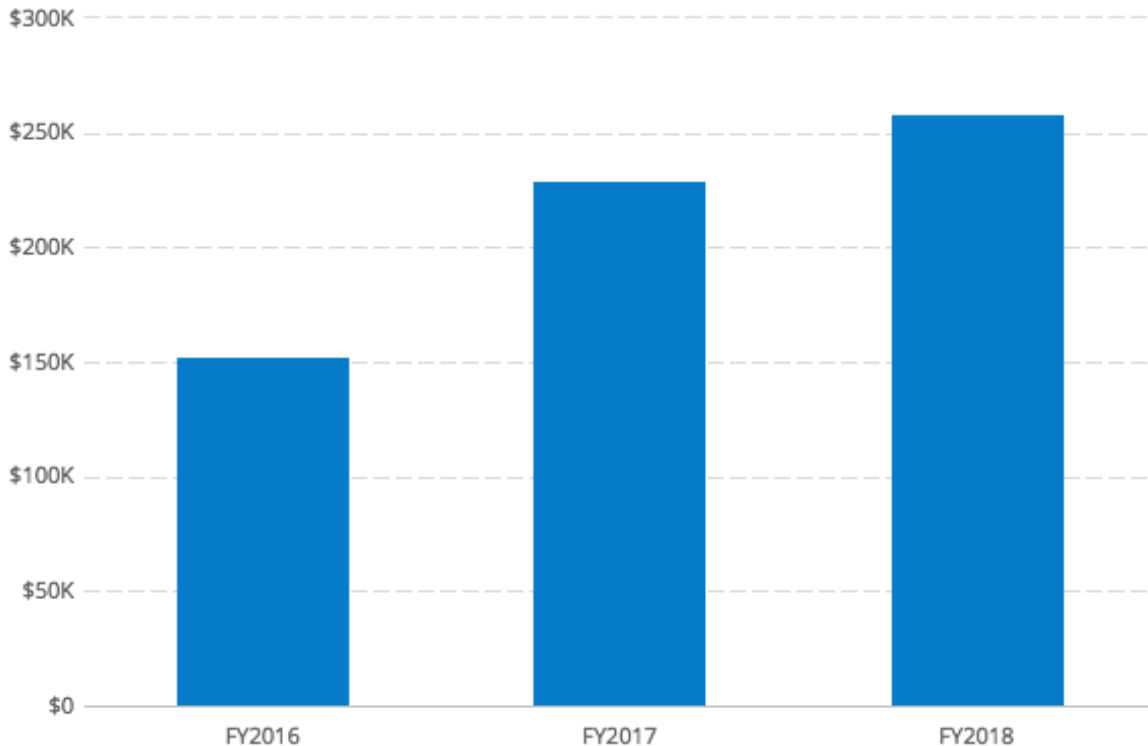
Expenses by Month

INSTRUCTIONS: Include a chart that shows your projected expenses. A tool like [LivePlan](#) can help you create a chart like this and automatically include it in your business plan.



Net Profit (or Loss) by Year

INSTRUCTIONS: Include a chart that shows your projected expenses. A tool like [LivePlan](#) can help you create a chart like this and automatically include it in your business plan.



Financing

Use of Funds

INSTRUCTIONS: If your forecast includes loans, investments, or other financing, use this space to explain what you plan do with that money.

Sources of Funds

INSTRUCTIONS: Describe your financing plans. Are you investing your own money in the business? Do you have a credit card or line of credit? What other types of funds — personal or business loans, equity investments from others, etc. — do you expect to receive and when? If you do not have the full detail of future financing worked out yet, that is understandable. Just explain what you do know and when you expect to sort out the details.

Statements

Projected Profit & Loss

INSTRUCTIONS: Provide a summary of your financial forecast here. You can certainly do this by yourself, but tools like [LivePlan](#) make it much easier.

	FY2018	FY2019	FY2020
Revenue			
Direct Costs			
Gross Margin			
Gross Margin %			
Operating Expenses			
Salary			
Employee Related Expenses			
Total Operating Expenses			
Operating Income			
Interest Incurred			
Depreciation and Amortization			
Income Taxes			
Total Expenses			
Net Profit			
Net Profit / Sales			

Projected Balance Sheet

INSTRUCTIONS: Include your balance sheet here.

	FY2018	FY2019	FY2020
Cash			
Accounts Receivable			
Inventory			
Other Current Assets			
Total Current Assets			
Long-Term Assets			
Accumulated Depreciation			
Total Long-Term Assets			
Total Assets			
Accounts Payable			
Income Taxes Payable			
Sales Taxes Payable			
Short-Term Debt			
Prepaid Revenue			
Total Current Liabilities			
Long-Term Debt			
Total Liabilities			
Paid-in Capital			
Retained Earnings			
Earnings			
Total Owner's Equity			
Total Liabilities & Equity			

Projected Cash Flow Statement

INSTRUCTIONS: Include your cash flow statement here.

	FY2018	FY2019	FY2020
Net Cash Flow from Operations			
Net Profit			
Depreciation and Amortization			
Change in Accounts Receivable			
Change in Inventory			
Change in Accounts Payable			
Change in Income Tax Payable			
Change in Sales Tax Payable			
Change in Prepaid Revenue			
Net Cash Flow from Operations			
Investing & Financing			
Assets Purchased or Sold			
Investments Received			
Change in Long-Term Debt			
Change in Short-Term Debt			
Dividends & Distributions			
Net Cash Flow from Investing & Financing			
Cash at Beginning of Period			
Net Change in Cash			
Cash at End of Period			

Appendix

Profit and Loss Statement (With Monthly Detail)

FY2018	Mar '17	Apr '17	May '17	Jun '17	Jul '17	Aug '17	Sep '17	Oct '17	Nov '17	Dec '17	Jan '18	Feb '18
Revenue												
Direct Costs												
Gross Margin												
Gross Margin %												
Operating Expenses												
Salary												
Employee Related Expenses												
Total Operating Expenses												
Operating Income												
Interest Incurred												
Depreciation and Amortization												
Income Taxes												
Total Expenses												
Net Profit												
Net Profit / Sales												

Profit and Loss Statement (Annual Detail)

	FY2018	FY2019	FY2020
Revenue			
Direct Costs			
Gross Margin			
Gross Margin %			
Operating Expenses			
Salary			
Employee Related Expenses			
Total Operating Expenses			
Operating Income			
Interest Incurred			
Depreciation and Amortization			
Income Taxes			
Total Expenses			
Net Profit			
Net Profit / Sales			

Balance Sheet (With Monthly Detail)

FY2018	Mar '17	Apr '17	May '17	Jun '17	Jul '17	Aug '17	Sep '17	Oct '17	Nov '17	Dec '17	Jan '18	Feb '18
<hr/>												
Cash												
Accounts Receivable												
Inventory												
Other Current Assets												
Total Current Assets												
Long-Term Assets												
Accumulated Depreciation												
Total Long-Term Assets												
Total Assets												
<hr/>												
Accounts Payable												
Income Taxes Payable												
Sales Taxes Payable												
Short-Term Debt												
Prepaid Revenue												
Total Current Liabilities												
Long-Term Debt												
Total Liabilities												
<hr/>												
Paid-in Capital												
Retained Earnings												
Earnings												
Total Owner's Equity												
<hr/>												
Total Liabilities & Equity												
<hr/>												

Balance Sheet (Annual Detail)

	FY2018	FY2019	FY2020
Cash			
Accounts Receivable			
Inventory			
Other Current Assets			
Total Current Assets			
Long-Term Assets			
Accumulated Depreciation			
Total Long-Term Assets			
Total Assets			
Accounts Payable			
Income Taxes Payable			
Sales Taxes Payable			
Short-Term Debt			
Prepaid Revenue			
Total Current Liabilities			
Long-Term Debt			
Total Liabilities			
Paid-in Capital			
Retained Earnings			
Earnings			
Total Owner's Equity			
Total Liabilities & Equity			

Cash Flow Statement (With Monthly Detail)

FY2018	Mar '17	Apr '17	May '17	Jun '17	Jul '17	Aug '17	Sep '17	Oct '17	Nov '17	Dec '17	Jan '18	Feb '18
Net Cash Flow from Operations												
	Net Profit											
	Depreciation and Amortization											
	Change in Accounts Receivable											
	Change in Inventory											
	Change in Accounts Payable											
	Change in Income Tax Payable											
	Change in Sales Tax Payable											
	Change in Prepaid Revenue											
Net Cash Flow from Operations												
Investing & Financing												
	Assets Purchased or Sold											
	Investments Received											
	Change in Long-Term Debt											
	Change in Short-Term Debt											
	Dividends & Distributions											
Net Cash Flow from Investing & Financing												
Cash at Beginning of Period												
Net Change in Cash												
Cash at End of Period												

Cash Flow Statement (Annual Detail)

	FY2018	FY2019	FY2020
Net Cash Flow from Operations			
Net Profit			
Depreciation and Amortization			
Change in Accounts Receivable			
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Net Change in Cash			
Cash at End of Period			



MINNESOTA'S PREMIER BUSINESS MENTORING NON-PROFIT



About MBMentors:

MBMentors is a local non-profit all-volunteer organization providing free coaching and resources to assist entrepreneurs and small businesses owners start, run, and grow their companies. Founded by experienced businesses executives and owners, we offer one-on-one mentoring, workshops, business plans, CEO Roundtables and more at *no cost!*

Contact Us:

Web: www.mbmentors.org

Email: info@mbmentors.org

Phone: 612.516.5342



1:1 Coaching

Experienced business professionals to help you with useful, practical advice.



Business Webinars

No cost webinars on a wide variety of small business topics.



Business Plan Guidance

Free advice and templates to help you develop a business plan.



CEO Roundtables

Monthly peer-to-peer meetings to exchange insights, opportunities and problems of running a business