



From Business Idea to Implementation

**Practical advice for the new
business owner**

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Entrepreneurs with Disabilities Program

From Business Idea to Implementation

From Business Idea to Implementation: practical advice for the new business owner

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Entrepreneurs with Disabilities Program

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Introduction

There are many books written on starting a business and I've read many of them. Some cover the assessment of the business idea; others writing the business plan and still others on business management. I decided to write this book, combining the most important information from these three areas, to help new entrepreneurs work through the process of starting a business.

Each Section of this book is written in an easy to understand format. Before you begin you need to clearly understand what is driving you to start a business and you also need to consider of cost starting your business.

The book is divided into three sections. Section one takes you through the steps necessary to determine if your business idea is viable. Section two explains how to write a formal business plan. Section three covers basic management skills needed to implement the business plan.

Statistics indicate 80% of new businesses will fail within the first 3 to 5 years. I believe that by following the steps in this book you can greatly reduce that risk.

Starting a business involves a lot of work and there are no short cuts to doing it right. Good management decisions start before you ever open

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for business. Sound business decisions are based on accurate information to eliminate as much of the risk as possible.

This book will take you through the process one step at a time. As you go through each step, write down the findings from your research and keep an organized filing system. By doing research you will get a clearer understanding of your market and if there is, indeed, a customer for your product or service. If, after you finished the first section, found it could be a valuable business, move onto the next section “Writing the Business Plan”. If you find your idea is not viable consider revising your original idea or come up with a new business idea and start over.

The process of writing the business plan is more involved than “Assessing the Business Idea”. With the information you’ve already gathered you can now start writing the business plan. The Business Plan will more clearly define your business, why it will succeed, how it will operate, who is involved, financial requirements, how much you expect to make, and more. The Business Plan is the blueprint of your business. It will help you manage your business and will be used to obtain financing.

Once the Business Plan has been complete and financing secured, Section 3 “Implementing the Plan” covers basic business management skills that will help you implement your plan. This is where most businesses fail; however, by adopting good management habits at the beginning you can greatly increase your likelihood of success.

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The principles outlined in this book apply to all small businesses, whether it is a service, retail, home-based business or an E-business.

This book is not intended to cover everything about running a business; however it will give you a good foundation to build on. Managing a business is a lifelong learning process; the business environment is constantly changing and you need to be able to keep up. We've put together a web site www.entrepreneurswithdisabilities.com and a monthly newsletter at Entrepreneur's Business Bulletin that will provide additional help on managing your business.

I wish you success as you start your business venture.

Don Terry

Business Counsellor

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Why Do You Want To Start a Business

People start businesses for different reasons, understanding what motivates you to want to start a business is important. People normally fall into one of two categories, those that have a passion for their idea and a strong desire to be successful and those that feel driven by some need to start a business.

Driven Businessperson

The driven businessperson is often driven to achieve a sense of accomplishment, obtain wealth, power, and a desire to be bigger and more successful. Driven business owners are more likely to compromise their integrity to succeed, often possess poor people skills, and are highly competitive. They're so busy with their business they have little or no time for family, friends or themselves.

Driven business people will ultimately be given into the stress of managing a business. Operating a business can leave little time for restorative rest and relaxation. Business owners can be driven toward goals and objectives without fully understanding why. They are people who can accomplish great things, create jobs, and are often very bright; nevertheless they are driven and will struggle with their ability to sustain the pace.

One thing is sure, driven people will never enjoy tranquility in their lives. Their primary targets are all external, material and measurable.

Take time to examine your own motives and values. Take a ruthless self-appraisal of why you want to be or are in business. Is it simply for prestige, money, control, challenge, or a sense of accomplishment?

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A Passion for Business

On the other hand the most successful people I know are those who have a passion and a desire to be successful. They know exactly why they're in business, have a clear vision of what their business will look like, and are committed to doing whatever is necessary to achieve their goals, without compromising their values.

They have faith and strength from within, perseverance and power that are imperious to blows from without. They have a passion with an unwavering sense of purpose and unswerving commitment. They won't easily give up, are motivated and excited about the possibilities and are prepared to put the time and energy that's necessary to succeed.

They have goals not only for their business, but also for their employees, customers, family and community. They practice positive values that will retain customers and employees which, will help build a successful company.

People who believe it's their purpose to be in business will more likely keep life in the right perspective. They will not compromise their values for the sake of their business. They will make time for family and friends; take care of their health and their spiritual life.

What motives you to be in business? Are you driven or do you have a passion?

Passion Alone Is Not Enough

Although having a passion for your business is good, you have to ensure there is a market for whatever product/service you're selling. You may have a real passion for making wooden lawn ornaments but if there are not enough people willing to buy them, then all the passion in the world won't help.

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You want to be passionate about your business but don't let it blind you to the reality of what makes a successful business. Without people willing to pay you for your product/service, you have no business.

In Section 1 of this book we take you through the steps to determine whether you have a viable business idea.

Consider the Cost

“Suppose one of you wants to build a tower. Will he not first sit down and estimate the cost...” Jesus

Starting a business can be an overwhelming challenge, which is why it's so important to consider the cost before you get started. Consider the cost of your time, money, family, health and spirit.

Contrary to popular belief there is no quick get rich scheme that is going to make you a millionaire overnight. Talk to anyone who is a successful business person and they will tell you:

- ⇒ You need to have a market, preferably one that's growing.
- ⇒ You need to learn everything you can about business and marketing.
- ⇒ You need to invest some money.
- ⇒ You need to invest time and be willing to work.
- ⇒ You can take responsibility for your decisions.
- ⇒ You are able to persevere when you run into difficulties.
- ⇒ You can get things done.

Time

Decide how much time you are willing to put into your business. Depending on the business most new businesses will require at least 60 - 70 hours a week, initially with no pay. You will not likely be in a position to hire additional help so you will be doing the

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customer service, marketing, purchasing, cleaning, bookkeeping, filing, answering the phone, and whatever other job needs done.

Try to be creative with your time, perhaps you can get the family involved, find ways of reducing the time spent on mundane tasks like bookkeeping, purchasing, cleaning and filing. Every business today needs to have a computer with software programs that can be used for bookkeeping, inventory control, customer lists, purchasing, etc.

There are time saving tools you can use for an on-line business that will help save time. Use technology to your advantage, so you can invest more time on the marketing of your business.

Family

Sit down with your family and discuss your business idea, you will need their support and understanding. Talk about the changes that will happen in the home, the time you'll have to work, and how they can help. Let them know that you'll still be there for them and they'll take priority over the business.

Your spouse can be your greatest supporter and encourager. You'll be thankful for them, when you come home stressed after a long day, and things have not gone well. The greatest blessing you can have is a spouse who believes in you and appreciates what you're doing for your family. Some days your spouse may be the only one who understands and cares for what you're trying to accomplish. I was blessed that I not only had a wife who shared my dream, but also wanted to be part of the business. Not everyone goes into business with his or her spouse, but for us it worked very well, as we complemented one another's skills. We both had our own strengths, I trusted her to do her part and she trusted me to do my part. We both took time to work outside the business to pay for personal living expenses so we could keep investing in the business. We were both prepared to make sacrifices to achieve our dreams.

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A spouse who doesn't share your dreams and nags you when you come home stressed, because you're not making the money you thought you would, will take the joy and energy you need to give to your business. If your spouse is against the idea, don't sacrifice your family for the sake of a business; it's just not worth it. There are many business owners who end up divorced because their spouse wasn't supportive or the family was neglected for the sake of the business.

Money

Consider how much money it'll take to start your business, how much are you willing to risk. How long can you cover your family's living expenses until your business will generate an income for yourself? Most small businesses will not see a profit for two or three years. Can you continue working for someone else while you start your business? Is your spouse willing to work while the business becomes established? Do you have enough savings to get you through? Keep in mind, most businesses take longer than expected to generate an income.

Even with a home-based on-line business there will be some investment required. For example you will need:

- ⇒ A computer and software.
- ⇒ An on-line connection – preferably a high-speed connection.
- ⇒ A workspace with a desk and filing cabinet.
- ⇒ A telephone.
- ⇒ Training materials.

A home business is less costly than say opening a retail business, but there is still some investment required. There will be a cost just to learn the business you're getting into.

Health

It can take a lot of energy to run a business. Are you healthy enough to put in the long hours? Stress and pressure will come with any business, if you don't handle stress well

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you might need to reconsider. You need to be able to persevere when things get difficult.

When setting up an on-line business, it requires a certain amount of time to become established. Even though there are tools you can use to reduce time, certain tasks still take considerable time. For example, finding the right products or service and establishing a customer list. Many successful e-markets will spend 50-60 hours a week on their business. Remember there are no short cuts to success, therefore if you are unable or unwilling to put in the time you may want to reconsider.

One of the advantages of having a home business is you can often schedule your work time when you have the most energy. However, you do need to be disciplined about using your time wisely as the day can go by very quickly. You might find at the end of the day you haven't accomplished anything.

Have a separate office space in your home where you can go to avoid distractions and a place where the rest of the family knows not to bother you.

If you have a disability, with today's technology, having a home business is possible; however you need to be very realistic about what you can and can't do.

Faith

There has a purpose for why we do what we do, for some of us that may mean having our own business. To help keep the right perspective take some quiet time to confirm in own mind that you're doing what you're meant to do. Don't neglect your spiritual need. Take time to mediate on the purpose for your life.

Your faith will be tested many times during the ups and downs and challenges of starting and running a business. You need to have a strong faith to overcome your own doubts and the doubts of others.

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A successful business isn't built over night. It takes time and a lot of hard work. We did not see a profit until our third year in business. There were many hard times, we made mistakes and learned from them, but through it all we believed that what we were doing was the right thing for us.

Time to Get Started

If you have a passion and a vision for a new business you need to make sure it's a viable business opportunity. Passion alone will not ensure success. You need to be realistic, you must be market driven. You need to do extensive research to ensure there is a market for your product or service. All businesses started by filling a need, whether it's a service, product, a new invention, or a new way of doing a task. The first section guides you through the steps to determine if you have a viable business idea. If you find no one is willing to pay you for your product or service, then you need to reconsider. Maybe you need to modify your original plan or come up with a new idea.

By working through the following the steps you'll determine whether there is a market for your idea. Remember a business idea, without taking action is useless. The best time to take action is now!

SECTION 1

Assessing Your Business Idea

Assessing your Business Idea

Most businesses start with the skills an individual already has, for example a new product or a new way of doing a particular task. Start with a business idea in an area that you know, have a great interest in and are passionate about. Decide what you really want to do and what you're good at. Then do the research necessary to determine if there are enough people willing to buy whatever you're selling.

By working through the following steps you'll determine if there's a market for your idea and if it's viable to go ahead and prepare a formal business plan. As you gather information make sure to keep a record of your finds as you'll need them to write your business plan as you don't want to go back and collect the information over again.

Remember, no matter how good your idea is you need to make sure there's a customer for your product or service. Make sure you take the time to do a thorough research of your business idea.

There are two types of research, primary and secondary.

Primary research is the most time consuming but the most effective. This can involve interviewing potential customers, sending out questionnaires, conducting focus groups, talking to other business owners anything that will give you a good sense that there is a customer who will pay for your product or service. Make sure you take notes of your findings, because when you need financing for your business, lenders want you to demonstrate if there's a market for your business idea.

Secondary research can include demographical information collected by federal governments on population, family incomes, age, etc. Information can be collected from trade associations, libraries and business centres that have information relating to your business.

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If you're searching to determine if an on-line business has a market there are tools to help you, such as [Word tracker](#) or [NicheFinder](#). If you're trying to determine how many people are searching for your product or service there are two services called [OneLook](#) and [Overture](#) you can access for free.

Research is vital in determining the potential for your business idea. Do not assume that just because you think you have a good idea everyone else will. Take enough time to do a thorough research so you can prove you have a customer for your product or service.

Define Your Product or Service

Before you can talk to potential customers you need to be able to clearly articulate your business idea.

Write down what your product or service is, and what the main features and benefits are for your customers. List all the benefits that will make the customer want to pay you for your product or service.

For example if you're going to be a consultant, identify the kind of consulting you will do. There are many types of consultants, and all they have their area of expertise.

For example you could be a landscape consultant, fashion consultant, computer consultant, wedding consultant, or sales consultant. You get the idea. Find your niche market and learn everything you can about it.

Be creative when putting a list of the selling features and benefits of your product or service together. People are more interested in what a product or service will do for them than what the features are. So take time now and write down all the ways your business is going to benefit your customer.

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The more clearly you can define your product or service the easier it is to identify who your potential customers are. **You need to know the business you're in!**

Who Are Your Customers?

Once you've clearly identified your product or service you can now determine whom your customer is. This step not only involves identifying the customer but also finding out if they would pay for your product or service.

Start by creating a detailed profile of the customer including their age, income, gender, marital status, lifestyle, where they live, how much they make, what kind of car they drive and anything else that will help identify your customer. Write out as clearly as you can what your customer looks like.

Your profile of the customer for a yard maintenance business could be residential and commercial property owners. Residential customers will be middle to upper income earners who don't want to take the time to maintain their yard and can afford to hire a yard maintenance company. Both spouses work and have young children. They live in the Wascana View, Emerald Park, Lakeshore and Lakeview areas. Residential customers will also include couples who are retired but are away from home a lot and don't have the ability or time to take care of their yard work.

Now that you know who they are, you need to find out if they're willing to pay for your service/product.

What Geographic Area Will You Sell in the First Year?

Now that you know who your customer are and what they look like, you now need to know where they live and shop. Determine what geographic area you will sell in the first year. Is your market in a particular area of your community, the whole city, state/province or are you an e-business that will sell anywhere in the world?

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You may have long-range plans of where you want your business to be in five years, but by concentrating on the first 12 months, you'll keep yourself focused. The larger the area, the more resources, money and advertising you'll be require. Defining the area will help determine what your needs will be.

Get a map out and draw out the geographic area your customers are located in. This will help give a visual perspective of your customer base.

For example: If you're selling products on-line using E-Bay you may decide you're only going to sell to Canada and the USA, because of shipping costs. Or you may sell an information product, which can be sold anywhere in the world.

Who are Your Competitors in this Geographic Area?

Once you've determined who and where your customers are, you need to determine who your competitors are in the same geographic area. Find out who is selling a similar product or service by checking the yellow pages, industry directories, the local business centre, visit retail outlets or on-line Web stores and businesses.

If you want to do business on the Web, search for similar businesses and find out as much about them as you can. Study how they do their marketing, look for ways you might do your business better.

Remember, competitors can include businesses that are not exactly the same as yours, but who go after the same consumer as you do. For example a theatre will compete with other businesses in the entertainment industry.

Collect and learn as much information as you can about your competitors. Find out their strengths and weakness. Don't underestimate the competition, learn everything you can about them, how they market, what the customer service is like, find out what their customer say about them. Learn everything you can, this will help when you starting marketing your own business.

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What do Your Competitors Charge?

Take the description of your product or service and compare the selling points of your product or service to that of your competitors and find out what they're charging. Check with potential supplies and wholesalers on what their suggested retail price is. Check with trade associations for current industry rates.

If you're selling information products on-line find out what others charge for a similar product. If you're selling an E-book online look for what others are selling their e-book for. Just ensure you have a quality product, with good relevant content.

What Price Can You Charge?

Determining the price you will charge is a big step in determining the feasibility of your idea. If you provide extra features and benefits you may be able to charge more than your competition.

Prices are ultimately determined by what the customer is willing to pay. A word of caution, don't charge substantially less than your competitor just to attract customers. You may attract some initial customers but when you need or want to raise your prices to current market levels, you could end up with some angry ex-customers.

Set your price close to the market level for your product or service. If your product or services are better than your competition consider charging more.

One of my clients has 25 years experience in the upholstery business. He's creative and has found a niche upholstering custom car interiors. In this case he can easily charge more than other upholstery businesses. He knows there aren't many other businesses in the city specializing in customer work for cars, bikes, and roadsters. He knows that people spend hundreds of hours and thousands of dollars on their car restoration and will not compromise on the car's interior.

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Why Should Customers Buy from You?

What is so unique about your product or service that people will want to buy from you?

What features of your product/service are going to benefit the customer?

Will you offer a better price, faster service, more services, better quality, or better skilled employees? Make up with a list of advantages you have over your competition.

From the information you gained from talking to people about your idea, what ideas can you use to distinguish yourself from your competition? What did they tell you about what they liked and didn't like about your product or service?

You can be sure if you've got an idea; someone else probably had it too and is already in business. Study other businesses selling a similar service or product and determine what you can do to convince customers to buy from you rather than the competition.

Are There Trends That Will Affect Your Market?

Knowing the trends in your market or industry will help you determine where it's going and how your business can take advantage. Check business and industry/trade magazines for recent articles. Some libraries have a "business periodicals index" to help you find these articles.

Be cautious of fads. There are some products that may be popular one day that will be gone the next. Look for a business that will meet the needs and wants of your customer over the long term.

Will there be seasonal trends, will changes in interest rates or a change in value of the dollar affect your sales; will a change to government regulations impact your business?

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Change is inevitable, you need to do your best to anticipate change and be able to react quickly. The better you understand your business and industry the easier it is to adjust. The key is to not become complacent. Always be looking ahead.

I worked with a business who did very well when the “Beanie Babies” first came out, but that faded quickly after a year or two. Another business did well when the Orange County Chopper’s T-shirts first came out, but soon everyone was selling them and sales dropped dramatically. Businesses like these need to be diversified so they’re not dependent on one product line.

What Is Your Growth Potential?

Is your industry or market growing or declining? Generally, you will be more successful being part of a growing market. Check business industry/trade magazines for recent articles to see the growth potential for your business.

Growth in business generally happens in one of two ways. Firstly, the industry is growing and there is more demand for the product or service. For example the oil industry in Saskatchewan is growing which has created jobs and opportunities for businesses catering to the oil companies.

The baby boom generation is close to retiring, which will open up opportunities for businesses that appeal to this growing population.

Secondly, increase growth comes from effective marketing. For companies to grow marketing needs to be the number one priority. You need to develop strategies for not only finding new customers, but also to keep customers coming back.

More people are now getting into e-business ventures. As more and more people become more comfortable buying on-line, it has opened up a whole new way for some businesses to reach customers. Remember the principles of selling products and services on the Internet are the same as running any other business. You still need a

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market so do your research. You can spend a lot of time and money setting up an e-business, so make sure you understand how e-business works and that you have a customer for your product or service.

How Will You Let Your Customers Know You Exist?

Marketing is critical to any business, so take the time to clearly indicate how you will connect with your customers. Study how your competition advertises, read books on marketing (Dan Kennedy has some excellent books and there are many others), and talk to other businesses about what works for them.

Once you know who your customer is, where they are, and why they'll buy your product, you can identify the best methods to communicate your offer to them? Will you rely on having a good location? Will you use advertising, make sales calls, use direct marketing, yellow pages, a website, or use Pay-per-Click?

Start with a plan and have a realistic budget. Be creative, there are many ways of letting your customers know you exist that are inexpensive or free. Many newspapers will feature a business in their Sunday edition. It's free and is delivered to every home in the city.

Get your supplier's to share the cost of advertising your Grand Opening in the newspaper. You may be able to do other co-op advertising with your suppliers. Generate interest by inviting the mayor and media to your opening.

We often did co-op advertising with our suppliers, we invited the media and the mayor to our grand opening, we got advertising from a local radio station in exchange for providing them with the music they used on the station, and there are many other ideas that don't need to cost a lot of money.

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Many new businesses think they have to spend money on expensive advertising. Those that did often found they had a serious cash flow problem when the advertising didn't bring in the customers they expected.

Develop your own marketing plan. It's easy to get talked into advertising that doesn't give the return you need. By having your own plan and budget you won't have a tendency to get talked into expensive advertising you can't afford and that won't reach your target market.

It takes time to build a strong customer base. For an online business one of the best ways is to collect e-mail addresses from people who either visit your site or buy your product. Aweber.com is one service you can use to collect customer's e-mail addresses. It's good because people have given you permission to send them additional information.

Even before you open for business you should start creating a customer list. You will find your customer list is your most effective marketing tool. It's amazing how few businesses keep or use a customer list. It's like throwing money out the door.

Once you're in business marketing will be your first priority, so start learning everything you can about marketing now. You want to be able to stand out from your competitors so be creative and do things differently than all the other businesses. We talk more about marketing in Section 3.

What Will Your Sales Be In the First Year?

For the first 12 months base estimates on the size of your market, level of competition, your price, your plans for advertising and trends in your industry. Create a pessimistic, an optimistic, and a middle of the road forecast.

You will want to have a plan for each scenario. You need to plan for the worst case scenario to determine if you will be able to stay in business.

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If you are one of the fortunate few and your business grows quicker than you anticipate, you need to have a plan to make sure you can manage the growth. There could be more resources required and more staff needed that will affect your cash flow. Businesses have failed because they grew too quickly and could not keep up with the demand.

Finally, from your research, prepare a plan that you believe best reflects your sales potential.

Do your best to be realistic, have others review your figures, someone that will give you an honest unbiased opinion.

It's better to plan for the worst and be surprised by the best, than to plan for the best and be surprised by the worst. Have a plan for each scenario.

What Government Approvals Do You Need?

There may be some extensive or expensive regulations involved within your industry. Each business will have different regulations to follow so contact your local government or Business Services Centre to assist you with determining the government regulations that will affect your business.

You will need to check municipal, provincial/state and federal regulations. This can include obtaining building permits, business license, collecting taxes, employee benefit, environmental standards, registering your business, etc.

If you're operating a home-based business you need to be sure your municipality allows you to operate a business from your home. Many cities have restrictions on what types of business can be operated from a home and you will have to obtain a home business license.

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There will be costs to each of these, which will affect your start-up costs and monthly cash flow. Your local Business Centre will let you know what regulations you need to comply with.

How Will You Manufacture and Purchase Your Goods for Sale?

State how you will make or acquire the goods you plan to sell. Use your sales forecast to help you plan this part of your operation. Think about potential growth in future years.

Manufacturing a product can involve a lot of detailed costing. Find suppliers that have the materials you need, what their terms are for payment, and how long it takes to fill your order. Contact more than one supplier for your product as you don't want to be dependent on one supplier. If you are manufacturing a product that will be sold in retail stores, find out if there are any special packaging requirements.

If you are purchasing goods for resale, you will find most suppliers will want cash payments until you have established credit. Once you have established credit, each supplier will offer different terms. Some may offer an additional discount for early payment, some may require payment within 15 days, others will offer 30 days. Some supplies will offer longer terms, depending on the size of the order or they may be offering their own promotions to get product into your store.

You can also sell products from wholesalers online where the company will send the product directly to the customer.

How Will You Get Paid?

Determining how you will accept payment from your customer will affect your cash flow. You may decide to accept only cash, credit card or Interact payment. You may extend credit to your customers in which case you won't have the money right away. If

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you do offer credit, will you offer a special discount for early payment? Many of today's businesses don't take cheques as most people use Interact.

If you are doing business online you can use a service like PayPal.

If you're providing a service, you may want a certain percentage down with the remainder paid once the job has been completed. How you get paid will affect your cash flow. Managing cash flow is one of the most important tasks for a business owner. You need to make sure you maintain a positive cash flow to stay in business.

What's Your Capacity of Operation in the First Year?

There will be a limit to the amount of product, stock and service you can sell. This will be determined by the size of your location, number of staff, money to invest and hours in the day. Try to realistically anticipate how big your business will grow in the first year and whether you can meet your sales forecast. Remember to take future growth into account. A word of caution: most businesses take much longer than anticipated to match sales forecasts.

You'll have a vision of what you want your business to become in the future, but by concentrating on the first 12 months you can keep a focus on what is required to get the business started.

What Resources Do You Need to Get Started?

Make a list of the number of employees, floor space, office space, leasehold improvements, equipment, vehicles, inventory, supplies and services you'll require to open your business. Estimate the costs of each item on your list. This will give you an idea of your start up costs. Be prepared for unexpected costs, nothing goes exactly as planned.

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Be very careful as you want to keep your start-up costs as low as possible. You don't necessarily need brand new equipment; you may be able to start with used furniture and display cases and do your own leasehold improvements. You can pick up good fixtures and displays from businesses that are closing or from a business that buys and sells used equipment and fixtures.

The extra money you save will reduce your borrowing costs. You want to invest as much as you can that will generate an income. You will want to keep a cash reserve in case things don't go as you planned. Remember it's better to start small and grow big than start big and end up out of business.

If you're setting up a home-based business you'll still have start-up costs for a home office, including a desk, computer, internet connection, telephone, printer, fax, filing cabinet etc.

How Will You Register Your Business?

There are a number of ways to set-up your business. You can register as a sole proprietor, a partnership, or some form of corporation.

Your start-up cost will be determined by how you set-up your business. For example a sole proprietorship will be less costly, than a partnership or corporation.

If you're going into a partnership with someone, make sure you have a lawyer draw up a partnership agreement. Many partnerships have started with good intentions and ended up in disasters. Make sure you have a clear understanding of roles and responsibilities that are written out. Include an opting out agreement that spells out what happens if one partner wants out of the business.

Depending how you incorporate your business it could be rather costly. A good accountant will help you determine what's best for your business.

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How Will You Distribute Your Products?

If you manufacture a product you'll need a way to get it to your customers. There are a number of ways of distributing a product, each with its pros and cons.

You can have your own sales staff, find an existing distributor, or use the services of an independent sales representative. Determine what will work best for you, remembering each will affect your cash flow differently. Hiring your own sales staff will mean cash will be needed each month for payroll. If you hire an existing service it will mean your cost will be dependent on the amount they sell.

You may want to sell your product via the Internet by setting up your own Website. More businesses today are using the Internet to get their product to the customer. The Internet has opened a world of opportunities to many small businesses. Determine what it'll cost to setup an E-business for your company.

Whatever method you choose will affect your cash flow. You also want to have method for getting your customers their products in a timely matter. Keep both of these points in mind when considering which method you will use.

What Will You Need to Finance, Lease or Rent?

You'll probably not pay for large purchases outright. When first getting started it is often better to lease, rent or finance these items. Estimate your monthly payments for your monthly cash flow statement.

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Remember, you want to keep your cash investment as low as possible, freeing up earnings to reinvest in the business. You want to ensure you have enough money coming in each month to cover operating costs. If you find you need to own a piece of

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equipment or want to own your own building, you can do it once you know your business can afford it.

Businesses normally take longer than expected to generate the income originally projected. Being able to control costs and manage cash flow will be one of your biggest challenges. Do everything you can to keep your costs manageable.

What Are Your Financial Strengths and Weakness?

No one is likely to invest in your business if you're not prepared to invest your own money. Consider how much you're willing to invest and how much you need to finance. Do you have assets that can be used to secure a loan? Do you have a good credit rating? Do you have friends or family who are willing to invest?

Try your best to borrow as little as possible. Starting small and reinvesting profits back into your business is the best way to grow your business.

Consider how much money you need to take out of the business to cover your personal expenses. Do you have another family income that can help out or a savings account to draw on until you generate enough revenue to take money out of the business? Remember you'll be the last one paid, if you take money out before paying your operating costs, employees, suppliers and financing charges. You'll soon be out of business, before you even get started.

If you decide to start a home-based or an online business your start-up costs will be much lower. But the same principle applies; keep start-up cost as low as possible. You may not need the most expensive computer or a brand new desk.

Remember new businesses often take longer than expected to generate positive cash flow.

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Prepare a Monthly Cash Flow Forecast

The last step, in assessing your business idea, is to prepare a simple monthly cash flow statement for the first year. Take the information you collected to estimated sales, start-up costs and operating expenses. Do not forget to include the cost of advertising, bookkeeping, insurance, a vehicle, freight, and bank charges, include as much detail as you can.

Prepare three different scenarios of your cash flow projections. The first would be for what you believe is the most realistic projection given your research. The second being what would happen if revenue was less than expected, and the third would be if business was better than expected. Create a plan of what you'll do in each situation. Anyone investing in your business will want to know its risks and how well you've planned to reduce those risks.

Have an accountant review your estimates as it's worth the cost and could save you from investing a lot of money in a business that has little chance of success.

Be conservative with your estimates; don't let your emotions blind you to the facts. If you find you have a negative cash flow, then go back and see if you can do things differently. If that doesn't work, try a different idea or change your original idea.

If, on the other hand, you end up with a positive cash flow projection then it's time to move on to the next stage and prepare a business plan.

When you prepare your business plan you will do projections for three to five years. Besides the cash flow statement, you'll have to prepare income statements and balance sheets.

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What now?

If, after you've prepared your cash flow statement you're comfortable that your business idea is viable, then it's time to move on to **Section II - Writing the Business Plan**.

The Business Plan will include much of the information that you've already collected providing more detail about your business.

If you've come this far, you're well on your way to starting your business.

SECTION 2

Writing the Business Plan

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What Is A Business Plan?

A business plan is simply a written document that describes the future path of a business. A good business plan explains the business concept, summarizes the objectives of the business, identifies the resources (both in terms of money and people) that will be needed by the business, describes how those resources will be obtained, and tells the reader why the business will succeed.

Investors want to know how big the opportunity is, whether the management team has the ability and skill to exploit the opportunity, who the competition is, what the risks are, and why they can expect this team to implement successfully. Your job of writing the business plan is to address these questions convincingly and clearly.

Writing a Business Plan

Write your own business plan. One common mistake made by entrepreneurs is to borrow heavily from a sample business plan and simply change the names and some of the numbers. There are two big problems with this approach. First, the emphasis you place on various sections of the business plan must reflect what is important in your particular business. Second, each section of the business plan should flow together, demonstrating why the business will be successful. Business plans which borrow too heavily from other business plans tend to be disjointed, with some sections contradicting others and some key issues left unaddressed.

Be concise, clear, and comprehensive. A 20-page plan, which clearly describes your business, is far more likely to be read than a 100-page plan.

If your text is short and punchy, you won't need to repeat yourself, because the reader won't be bogged down keeping ten chapters in their head.

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Brief writing is very important, without it you run the risk of the reader losing interest. Stick to a tight, simple explanation of your idea, convincing your reader you'll be the best because your idea is the best.

Make sure your financial projections are believable. For many readers, the financial section is the most important section of the business plan because it identifies your financing needs and shows the profit potential of your business. In addition, a good financial plan will give the reader confidence that you really understand your business. So be sure to test the reasonableness of each of your assumptions. Overly optimistic assumptions or a failure to accurately reflect the full costs of operation can quickly destroy the credibility of your business plan.

Business plans will vary in length however it's recommend that business plans should be between 10 pages and 25 pages in length. Remember that a business plan is a summary; you can always provide more information if asked or you can attach more detailed background documents to your business plan.

The Elements of a Business Plan

Introductory Letter

If you're giving a copy of your business plan to someone, attach an introductory letter briefly stating why you're submitting your business plan and that highlights the major points. If you're presenting your business plan to someone specific, be sure to have the correct spelling of their name and mailing address.

Cover Page

Design a cover page that stands out by including a picture of your product or your service in action. The cover page identifies who you are, your company name, and how you can be contacted.

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Your Cover Page should include the following:

- Your name
- Company name
- Address
- Telephone number
- Date

It might also include (if available):

- Fax number
- E-mail address
- Website address
- Company logo
- Picture of product or service in action
- Marked confidential with a copy number

Table of Contents

A table of contents allows the reader to skip to the part of your plan they're most interested in. Therefore your table of contents should clearly outline the core sections and subsections of your plan. Add page numbers once your plan has been completed.

Writing out the Table of Contents at the beginning of writing your Business Plan will help break the sections into manageable tasks. It also reminds you of areas where you may need to do more work.

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SAMPLE

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Executive Summary

The Executive Summary is the most critical part of your business plan. People will read it first and it may be the only section they read. You want to grab the reader's attention and get them excited enough to read the rest of your plan.

Write the Executive Summary after the entire plan is finished – that way you can select the most relevant information for your summary. In one or two pages clearly state what your business is and why you'll be successful. You want to give the reader a good understanding of your business proposal highlighting the key points that are important to your plan.

Your Executive Summary should cover the following:

- Describe your business concept. Be sure to include what industry sector you will be operating in (e.g. retail, manufacturing, wholesale, e-marketing etc.), the market you will serve, and your competitive advantage.
- How will you differentiate your product or service from competitors?
- What is the legal structure of your company (e.g. sole proprietorship, partnership or incorporated company)?
- If your business is already in operation, give a brief overview of your progress to date. Include achievements such as patents, prototypes, contracts, and market research indicating that the business is viable.
- Briefly summarize your management team's experience and credentials.
- How much money (if any) are you seeking and for what purpose?
- How much money the owner(s) invested in the business to date? How has this money been spent?
- Summarize your projected financial performance. Include projected gross revenues and net profits in the first year of business.
- Do you intend to draw a salary from the businesses in the beginning? If not, how will you support yourself? If so, how much?

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The Team

Your business is only as strong as the people who can make the business become a reality. The management team and staff can be the difference between a successful business and one that fails. Therefore, it's important to include a section in your business plan that outlines the skills that each of your team members possesses and how these skills will help bring your product or service to market.

Management Team

No matter how large or small your business, good management is the key to its success. It's important to identify all management categories, necessary skill sets and possible job titles. Provide profiles of each member of your management team (even if the team is just you) that demonstrates his or her unique skills. Describe how each person will add to the team's success.

Depending on your business structure, the Management Team section should cover the following:

- What are the major categories of business management in your company (i.e. marketing, sales, research, and administration)? Include an organizational chart of your business and explain the functions of yourself and key team members.
- Who are the people who are willing to work with your business? What skills and job experience do they have? What are their job descriptions? (Attach complete resumes of management team members).
- What skills do you personally have and how do these skills correlate with your business?
- What positions still need to be filled in your business?
- Describe the compensation package for yourself and the management team (e.g. salary, benefits, profit sharing schemes etc.).

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- What work contracts, non-competition agreements and other contractual agreements have you put in place for your management team? (Include contracts in Appendix).
- Describe the ownership structure of your business, mentioning percentages controlled by the management team (if applicable).

Advisors

Creating a board of advisors for your company is an excellent way to benefit from the skills and expertise of people you may not yet be able to afford to employ. List their names, titles, employment, education, expertise and how their guidance will positively impact your business. By outlining your Advisor's credentials, you can help to enhance the credibility of your management team.

Your board of advisors should include people who have skills you are weak in. Nobody knows everything and a good group of advisors is an invaluable asset to your business.

Professional Services

Your business plan should include a section that lists all the professional support services - such as your lawyer, accountant, banker and consultants that your business will use. This list will show that you have considered all facets of your business, and that you have a strong network that will help you grow your business.

Contact other business owners, trade associations, or your business centre for referrals of people who are knowledgeable about your industry.

Human Resources Requirements

Once you have defined your management team, you need to include details of the other employees your business may need and what their function(s) will be. In the beginning it may be just you and some contract or part-time help.

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Identify how many employees you require and the skills they need to possess. You'll need to think ahead and consider all the options you may be faced with.

Ensure that you have considered the labour situation in the area and industry in which you're starting the business, to make sure you have sufficient local labour. Be sure to make allowances for the amount you'll need to pay for salaries and staff training.

Business Environment

Having a clear understanding of your industry and your company's position within it are crucial to your success. You've got to communicate what your purpose is as a company.

Describe the industry that your company will operate within, how you will position your product or service within that industry and why your business is viable. Your challenge is to clearly describe what your business is going to do and why that's special.

Business Summary & History

If the business is already in operation, describe what stage the business it is at. Explain the activities to-date and any sales you have made to date.

Industry Overview

It's important to give some background on the industry you'll be working in. Identify the size of your industry, potential sales, and number of customers etc. Describe some of the trends that affect your industry (e.g. seasonal factors, interest rates, dollar value, and government regulations), along with the growth prospects of the industry. It's important to summarize the various sectors within your industry since this will set the stage for the description of where your company will operate.

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Position in the Industry

Most new businesses that succeed do so because they found a niche within their industry. Clearly describe what product or service you'll be selling, what makes it unique and how you'll carve out a place within the existing industry.

Include the following where applicable:

- Describe how you plan to protect what makes you unique. Do you have legal protection like patents, trademarks or copyrights?
- Who are your competitors? What percentage of the market do they control? What are their strengths/weaknesses?
- What are the barriers to entry in your business? How easy is it for your competitors to duplicate your unique product or service?
- Describe what role technology plays in the creation of your product or service. Does this make it easier or more difficult for competitors to offer a similar product or service?

Marketing Plan

Your Marketing Plan includes everything you do to get your customers to buy your product or service. This is a crucial part of a business plan so it's important you spend enough time to get all of the research you need to complete it successfully. Your Marketing Plan will include both your strategies for growing sales as well as the tactics you will employ to get there.

The Marketing Plan section of a business plan is made up of five subsections:

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Target Market

You need to have a clear understanding of the size of the target market for your product and the niche you are trying to carve out for your business. Explain the type of person or business that is likely to buy your product or service and how large this market is. Include demographics, statistics such as their age, gender, where they live, income etc. What do they have in common? What motivates them?

Estimate the total size of the target market for your product or service in terms of gross sales and units of product or service sold.

Be sure to describe your direct competition, but don't forget your indirect competition. Your indirect competitors are the businesses that sell a product that is not the same as yours but could be used as an alternative by your customer.

Give a summary of the major trends in the marketplace. You'll have to do a lot of research to complete this section and it's important that you credit your sources since this will add credibility to your facts and figures.

Services/Products

Your marketing strategy communicates what makes your product or service unique. It's important to describe both the features and the benefits of your product or service. Features are descriptive attributes of your product such as the colour, weight, price, quality, etc. The benefits describe what good things the customer will enjoy by using your product or service (e.g. save time, save money, feel better etc.).

Pricing Strategy

An important part of your strategy is determining how you will price your product or service. The secret here is to establish a reasonable base price that will enable you to make a fair profit. You may believe the easiest route is simply to set your prices in

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accordance with those of your competitors. That's not always wise. Before you set a base price, you have to look at your own objectives and special considerations.

The Pricing Strategy should cover the following:

- What is your base price and how did you arrive at this figure?
- How are similar products and services priced? Explain how the price of your product or service will compete with market prices. If your price were higher, why would a customer choose your product? Do you offer superior service or a higher quality product? If your price is lower, how are you able to charge less - is the quality different, is your production process more efficient, do you sell in large volumes?
- What do your costs include?
- Are you offering discounts to students or seniors or for those who pay in cash rather than by credit?
- Are you allowing trade-in, a layaway policy?
- What kind of a return are you looking for in your investment and how soon are you anticipating recouping your investment?

Sales/Distribution Plan

Your Sales/Distribution Plan details how the transaction between you and your customer will take place. Include how you plan on selling your product or service and the people and companies involved in getting your product into the hands of your customer.

Explain in detail what type of distribution channels are available to you (account representatives, sales people, Internet, delivery services, other companies that will carry your product) what benefits you'll have by choosing them and the length of time

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it'll take to get your product to your customer. Outline all of the players or technology involved in getting your product/service to the end customer.

Summarize your returns policy and describe any warranties or after-sales support you'll offer customers.

How can customers pay for your product? What credit terms will you extend to your customer? Include any discounts you'll offer for early payment or penalties for late payment.

Advertising and Promotions Plan

Your Advertising and Promotions Plan must detail how you're going to communicate to your customers and prospects. There are many ways your business may communicate including advertising, public relations, brochures, a Website, trade shows, etc. If possible, include a sample or mock-up of your communications pieces.

Include what medium you'll use (i.e. direct mail, Internet, radio, television, etc.) How much will this cost? How much business do you anticipate this will bring in?

Describe what plans you have to generate awareness for your business.

What other forms of marketing will you use? Consider trade shows, telemarketing, etc. Study other successful markets to come up with unique strategies that will make you stand out from all your competitors. Check out Advertising in **Section 3** for ideas and the pros and cons of the different forms of advertising.

Operations

Your plan needs to address the day-to-day running of your business. If your idea is still at an early stage, this section of the plan will help you list the steps required to develop your product or service. Or, if you've already made some progress toward developing your product or service, this section of your business plan will help you to create a checklist of tasks that still need to be done.

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The Operations section of your business plan has two subsections:

Stage of Development

Start by identifying at what stage your business is at. In other words, are you still in the idea stage, or are you already manufacturing your product or providing your service? Simply outline the steps you have taken toward developing your business and what remains to be done.

Your Stage of Development section should cover the following:

- Describe the workflow in the creation of your product or service.
- What are the problems that occurred or might occur in the development of your product or service? Create a checklist to ensure these problems are covered?
- Go over your work site to identify potential hazards and ways to eliminate them?
- Describe the health and safety training for your employees to prevent work injuries.
- Outline which industry associations you are or will be a member of.
- Who are your suppliers? Do you have alternate suppliers if one doesn't work out? What are their prices, terms and conditions?
- What quality control measures have you instituted?

Production Process

Regardless of your type of business, you need to walk through the process of creating your product or delivering your service. This part of your business plan allows you to show an understanding of the process of manufacturing your product or delivering your service.

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Your Production Process section should cover the following:

- What are the basic requirements for your business? Consider land, equipment, office space etc. If you own or need land, buildings or equipment, you should explain what it's worth or costs, how it is to be financed (e.g. bought or leased) and why it's vital to the success of the business.
- When can you start producing/selling your product or service? How long does it take to produce a unit or a set number of units of your product?
- Where will you get the materials to produce your product/service? How much do they cost? Have you negotiated terms with suppliers?
- What factors can affect your anticipated time frame for production (e.g. rush orders, material shortages)?
- Will you make or buy the components necessary for the production of your product or service? Why?
- What will you do if the demand for your goods or services fluctuates?
- Have you conducted feasibility testing on your product (i.e. tested the process, prototyping and pricing)?
- How will you keep track of inventory? Will this be computerized or manual?

Financial

The financial section is your opportunity to determine how viable your business is financially. It's a benchmark for you to gauge your progress against your original projections.

To create your financial plan you'll first need to determine the type and amount of expenses your business will incur. This information will help you create the core financial statements for your business.

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It's important to create a set of financial statements to show the expected results for the first or current year of operations. Estimates of projections are based on certain assumptions regarding future events or operations for three to five years. If you're creating a business plan for an ongoing business, include financial statements from previous years.

It's important to be realistic in your financial projections and be sceptical of overly optimistic projections. You want to include best, worst and most likely case scenarios. Most new business owners underestimated how long it will take to create a positive cash flow. So have a plan in place to cover unexpected costs and delays.

If you are unfamiliar with preparing financial statements, ask your accountant for assistance. Have them explain the statements to you so you understand what the statements tell you. You'll be working with three different statements, a cash flow statement, income statement and a balance sheet. You need to know the purpose for each one and why the information is important to your business.

Expenses

Your business will have two types of expenses: one-time start-up expenses and operating expenses. One-time expenses are those costs that you incur only once when setting up your business (e.g. incorporation fees). Operating expenses are ongoing costs that you will have to pay every month (e.g. rent for your office).

Calculating these figures now is important because when you plug them into your cash flow statement, they'll reveal how much start-up financing you'll need to get your business to a point of self-sufficiency.

Your One-Time Expenses section may include, but is not limited to:

- Down payment on property or deposit on rent.

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- Down payment or deposit on fixtures and equipment (computer printer, fax machine, photocopier).
- Cars/trucks.
- Decorating, remodelling, installation of equipment/fixtures, leasehold improvements.
- Starting inventory.
- Utility set-up fees.
- Promotion for opening.
- Licences and permits.
- Incorporation costs (where applicable).
- Product development costs or franchise fees where applicable.
- Unexpected expenses.

Your Operating Expenses section of your business plan may include, but is not limited to:

- Your salary (management salaries).
- Other salaries (e.g. for your shipper, bookkeeper, receptionist).
- Rent or mortgage payments.
- Raw materials.
- Storage.
- Distribution.
- Office supplies (e.g. postage, pens, paper, photocopying, etc.).
- Telecommunications (e.g. telephone, fax, internet service, cellular, etc.).
- Office equipment (e.g. computer, printer, fax machine).
- Electricity.
- Insurance, including premiums to be paid to your provincial workers' compensation board/commission.
- Promotion (including advertising).
- Selling expenses.
- Car expenses or travel.
- Professional services (accountants and lawyers, for example).

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- Maintenance.
- Repayment of loan capital and interest.
- Other financial expenses (e.g. sales discounts, bad debts).
- Other expenses.

Cash Flow Statement

Without cash, your business can't operate. A cash flow statement is a reflection of how much money your business has at a particular point in time. If your cash coming in (collected revenue) exceeds your cash going out (disbursements), your cash flow is positive. If your cash going out exceed your cash coming in, your cash flow is negative.

A cash flow statement enables you to see where your cash is low and when you'll have a surplus and it should be prepared on a monthly basis, or at minimum, prepared quarterly. Managing cash flow is crucial to any business because without enough cash your business will slowly die. The key is anticipating and planning for any fluctuations in cash flow.

Avoid projecting overly optimistic sales growth, consider any seasonal trends and be careful not to underestimate increases in expenses.

Income Statement

Although your cash flow and income statements appear to be similar, there are very important differences. Your cash flow includes details of the time when revenue is collected or expenses are paid. An income statement records a transaction when it happen, ex., sales and expenses are recorded when they happen whether-or-not the money has been received or paid out. It also includes non-cash entries such as depreciation.

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An income statement shows your profit or loss for a particular period of time, detailing all revenues, expenses and other costs. Income statements should be prepared on a monthly or quarterly basis to allow for proactive management of any changes.

The income statement is predominantly an accounting tool used to measure a business' performance. It allows you to determine where your break-even point will be, the level when revenue equals total expenses.

Balance Sheet

A balance sheet is a snapshot of the financial state of your business at a particular point in time. It outlines your assets, liabilities and equity and gives you the net worth of your business. A balance sheet should list current assets such as accounts receivable, inventory you have on hand, and your cash balance. It will also list fixed assets such as property, equipment, furniture and fixtures, and vehicles.

Current liabilities include accounts payable and debts that you must pay within a year (suppliers & creditors). Long-term liabilities include long-term loans, like mortgages, equipment loans or loans you make to the business.

Shareholder's equity is made up of permanent funds invested into the business for a share of ownership, (capital stock), and retained earnings.

Risks & Conclusions

Every business has some degree of risk to it. It's important to outline possible risks in your company and how you've made allowances for them. Detail how you plan to minimize or address the risks inherent to your business.

Remember that the most important reason for writing a business plan is that it's a tool to help you start and manage your business. Be honest about your risks and take them seriously because you can avoid many problems by thinking ahead.

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Consider the following:

- What are the possible risks within your industry? What are the possible health and safety risks on your business/work site?
- What if you discover that the business you bought carried liabilities? For example, what if the business you bought has an outstanding balance in its account with your provincial workers' compensation board/commission?
- What if the demand for your goods or services decreases?
- What if the number of competitors increases?
- What risks do you face in producing your product or service?
- What risks do you face with the marketing plan?
- What human resources risks do you face? Consider your management team, advisors and your employees.
- What if your key employees quit? What if they get seriously hurt on the job?
- What if you run out of cash? Where else would you go?
- What if your major supplier has financial difficulties? What other suppliers exist?
- What, if any, environmental risks do your product or service face?

Conclusions

Remember, your business plan should be as vital and strong as the dream you have for your company. Clearly restate the goals and objectives for your business. If the purpose of your business plan is to get financing - state the amount required and what it'll be used for. Your conclusion section should be concise, clear and leave a positive impression.

Sources of Financing

Your Own Money

The best way to start a business is by using your own money. It's much easier to grow a business if you don't have debt.

Whether you can finance the whole business start-up yourself or need to get outside sources of financing, you can expect to invest your own money. Outside sources of financing will not assume all the risk; they want to see your commitment by how much you're prepared to invest.

Revenue from the Business

The best way to grow a business is by reinvesting revenues back into the business. Starting small and reinvesting back into the business is the easiest way to build your business.

By starting small, without a lot of debt, you have the opportunity to learn more about the industry you're in.

Achieving and maintaining a positive cash flow will be your biggest challenge as a new business owner, not having the added stress of additional loan payments will make it easier to manage when business is slow. The less borrowing you need to do the better. It is much easier to manage cash flow and increase the asset value of the business by investing back into your business.

Credit Cards

Financing your business using credit cards is not recommended by most advisors however, many new business owners do use credit cards because banks are reluctant to finance new business.

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Be very careful using credit cards as interest rates are often much higher than a bank loan. If you do use credit cards pay off the balance as soon as possible. Watch out for cards with low interest introductory offers, if the minimum payment isn't paid within the specified time period they will increase the interest rate to 19% or higher.

Family and Friends

If you're going to borrow from family and friends, make sure they know exactly what the risks are, and understand your business. Have a lawyer write up an agreement that you both sign and agree to that explains the repayment schedule and interest rate.

Family and friends may feel that because they have an investment in your business they can have a say in how the business is managed. Many friends have been lost and family disputes started because expectations were not met. Agree beforehand what their level of involvement will be. If you're not comfortable with their expectations perhaps you should look elsewhere for financing.

Banks

Unless you have personal assets you can use as collateral, banks will not loan you money until you've been in business for at least two years and can show you have the ability to repay the loan.

Most business will want a line of credit to help with cash flow. It's important to maintain a good credit rating so when it's time to approach your bank you're more likely to be successful.

If you do receive a loan from a bank, get to know your loans officer. Invite them to your business and explain what your plans are especially if you will need financing in the future. If you do start to have problems, let your banker know right away. Bankers don't

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like surprises. It's in their best interest to see you succeed so the sooner you inform them you're having a problem the more likely that they can help. If you wait too long there may be nothing anybody can do. Often they can provide you with suggestions to turn things around. However the longer you wait to contact them, the harder it is for them to help.

A good small business loans officer can be a big help to your business, but you need to communicate with them.

Strategic Business Partners

There may be customers or suppliers that want you to be in business and who are willing to help you get started. They may provide a loan, special terms on inventory and set-up.

When we opened our second store many of our suppliers were able to give us longer terms on inventory. They also provided some of the display fixtures. Although we didn't receive a loan per se, the longer terms did help us stock the second store sooner.

Angel Investors

Angel Investors are private individuals who invest their own money in new businesses. They normally invest smaller amounts in diverse types of business. Many cities have an "Angel Investor Association".

Venture Capitalists

Ventures Capitalists are professional investors who are looking for companies that will give them a large return in a short period of time. They normally invest large amounts of money and take an active role in the management of the company. Contact your Business Centre for a listing of Venture Capitalists in your area.

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Small Business Loans Associations

Most provinces have Small Business Loan Association that will guarantee the bank loans or will provide loans for new and expanding business.

In Saskatchewan we have both federal and provincial loan programs. There are limits on what the loan can be used for, and are used as a last resort-funding source.

Contact your local business development center to see if there are government loan programs you qualify for.

What's Next?

Now that the business plan is completed and the financing is in place, it's time to put the plan into action. Now the hard work starts. This is where it really gets exciting and stressful at the same time. You've worked hard to get to this point and you begin to realize that it's now when you find out if your business is going to succeed or not.

The next section covers some basic management skills needed to have a successful business. There is much more to operating a business. We encourage you to read and study everything you can about marketing and business management. This next section is just to get you started.

SECTION 3

Implementing the Business Plan

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Putting the Business Plan into Action

Now that you've completed your Business Plan and have the financing in place, it's time to put the plan into action. Managing your business and finding and keeping customers will be your biggest challenge in terms of having a successful business. This section will give you ideas you can take to set-up your business and help you learn some basic management skills.

Get Yourself Organized

Start by setting goals and developing a strategy and timeline to get things done.

Set precise goals, putting in dates, times and amounts so that achievement can be measured. When you have several goals, give each a priority. This helps you avoid feeling overwhelmed by too many goals, and helps to direct your attention to the most important ones.

Your goals should be specific and measurable. If you achieve all conditions of a measurable goal, then you can be confident and comfortable in its achievement. If you consistently fail to meet a measurable goal, then you can adjust it or analyse the reason for failure and take appropriate action.

Create an Action Plan, a brief list of tasks that you have to carry out to achieve an objective. It focuses on the achievement of a goal, rather than focusing on goals to be achieved in a period of time.

Whenever you want to achieve something, drawing up an action plan allows you to concentrate on the stages of that achievement and monitors your progress.

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Review your business plan making a list the things that need to be done to get your business started. Then develop an Action Plan and Time Lines as to when tasks will be completed

This could include the following:

- Secure a location.
- Leasehold improvements.
- Setting up a home office.
- Plan for a grand opening.
- Hire and train staff.
- Develop marketing materials.
- Contact Suppliers.
- Set-up a bookkeeping and inventory system.
- Arrange for telephone and utilities.
- Get appropriate business licenses.
- Obtain Insurance coverage.

Write out an accountability strategy that lists what will be done, by whom, and when it will be completed. Put the list up where everyone can see it and check items off as they are completed.

Make sure to follow-up regularly to make sure things get done when they need to be.

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SAMPLE

Goal: Open for business in 6 weeks:

Action Plan:

Activity/Task	Who	When	Cost
Secure Lease	Owner	1 week	\$200 lawyer fees
Leasehold Improvement	Landlord	4 weeks	Included in lease
Promotional Material	ABC Marketing	3 weeks	\$1,000
Register Business Name	Owner	1 week	\$150

You get the idea, continue going down the list of activities that need to happen to achieve each of your goals. I like to refer to it as an “Accountability Strategy”. As the owner, you need to be accountable to your staff and your staff needs to be accountable to you. Check items off as they are completed, this will let you know what has been accomplished and what remains to be done.

Use the Time You Have Wisely

Many people spend their days in a frenzy of activity, but achieve very little because they're not concentrating on the right things. Typically 80% of unfocussed effort generates only 20% of the results, and the remaining 80% of results are achieved with only 20% of the effort. The trick to prioritizing is to isolate and identify that valuable 20%. Once identified, prioritize your time to concentrate on those items with the greatest reward.

By applying time management, with planning and goal setting, you aim to ensure that you concentrate as much of our effort as possible on the high payoff tasks.

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An important part of focusing on results is working out what to focus on! Many people work very hard all day doing little jobs that has no actual affect on the growth of their business. Those who accomplish the most in a day know exactly what they want to accomplish and stay focused.

By planning well you can ensure that you concentrate only on those tasks that will move your business forward in the most effective way possible, without being distracted by unimportant but urgent tasks. Each day at least one goal should include an activity that will grow your business. The day-to-day activities of running your business can easily consume your day, however with proper planning you can set time to do at least one task that will bring in new customers and keep the ones you have.

“To Be Done” Lists are extremely useful ways of organizing and motivating yourself to achieve what needs to be done efficiently. If you haven’t used To Be Done Lists before, give them a try, as they can be an extremely powerful as a method to reducing stress.

The key to managing time effectively is to concentrate on the results, rather than just being busy. Important work or activities that need creativity and intelligence should be scheduled for the times when you are most alert. Routine or mundane tasks should be carried out during periods of low energy.

We all have energy cycles, personally I have more energy in the morning and then after 8 in the evening. Determine when you’re most alert and schedule that time to do the most difficult tasks including the tasks when you need the most concentration.

‘To Be Done Lists’ are lists of tasks to be carried out to achieve goals. These goals might be specific targets, or may simply be the efficient administration of your day. By ordering these tasks in order of importance, you have prioritised your To Be Done List.

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If your schedule is filled with unimportant urgencies, you won't have time to learn new things, to do long-range planning, to be creative and original, to do research, to exchange ideas with others, to re-think your major objectives, to invent new opportunities, to try to prevent future problems, to help others, and so on. These latter activities result in greater productivity and more benefits for everyone; they are the essence of a successful business.

Be flexible; allow time for interruptions and distractions. Experts often suggest planning just 50 percent or less of one's time. With only 50 percent of your time planned, you will have the flexibility to handle interruptions and the unplanned "emergency." When you expect to be interrupted, schedule routine tasks.

Keep the process going by reviewing and updating your to-do list on a daily basis.

Time management (or self management) is not a hard subject to understand, but unless you're committed to incorporating time management techniques into your daily routine, you'll only achieve partial (or no) results and then make comments such as "I tried time management once and it doesn't work for me". The lesson to learn is that the more time we spend planning our time and activities, the more time we'll have for those activities that are really important, like family and friends.

Some Tips

- Do not procrastinate – learn to just do it and get it out of the way.
- Have sales reps book appointments when you have less energy.
- Break large tasks into smaller manageable tasks.
- Avoid being a perfectionist.
- Learn to say "No".
- Eliminate tasks which don't have long-term consequences.
- Allow time for interruptions and distractions.
- Set goals which are specific, measurable, realistic, achievable and timed.

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- Know when you have the most energy and use that time of day to work on your priorities.

Learn to Delegate

As a new business owner you may find yourself doing everything from the secretarial duties, to cleaning, and customer service to delivery person. However, as your business grows, at some point you'll need to out-source tasks or hire staff for your business to continue growing.

Identify areas of your business that could be done by someone else that would free you to concentrate on activities that will grow your business.

For example, many business owners struggle with keeping up with their bookkeeping. Consider out sourcing your bookkeeping to a reliable bookkeeping service. There are good bookkeepers that are affordable who operate from their home. Find a bookkeeper that will take the time to know your business and that will explain the financial statements to you. You'll be amazed at how much time this could save you so you can work on what's really important, growing your business.

Good delegation is considered a key skill for business owners. The best business managers have an ability to delegate work to staff and ensure it's done correctly. Look at hiring someone who has strengths that you are weak in.

Once you have decided what you want them to do, take the time to hire the right person. (See next heading on hiring.)

Don't be afraid of letting go and putting trust in your employees. Find the balance between not giving enough authority and giving too much. My experience has been that employees are more loyal when they are respected for their work and when their input is appreciated.

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Hiring Staff

Hiring staff can be as risky for some as starting their business. However, by taking the proper steps you can reduce the risk of hiring the wrong person.

First, make a list of things you want the person to do. Then prioritize the list to include the most important tasks, don't make the list so long it becomes impossible for one person to do. Include areas that you're weak in and administrative tasks that take up a lot of your time.

Next, advertise for the position in the newspaper. Depending on the skills required, you may need to place an ad in newspapers outside your community.

You can talk to other business owners who may know of someone you could possibly hire. How many people do you know that got a job just by word-of-mouth?

Carefully go over the resumes and come up with a short list of people you think are worth interviewing. I very seldom interviewed a candidate if his/her resume did not include a cover letter. The cover letter tells me they've taken time to learn about the business. It shows they have an interest in the position and my business. They'll often outline their skills and experience that will benefit my business.

If you have never interviewed for an employee before, do some homework before you start. Come up with a list of questions that will give you the information you need to make a decision. You may even want to bring in someone with hiring experience or hire a Human Resource consultant.

In the interview remember to let the job applicant do most of the talking. This is someone who is going to be working with you on a daily bases so you want to know as

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much about them as possible. Look for people that have a positive attitude, good work ethic, teachable, have integrity, loyalty and commitment, and strong personal values.

For me finding an employee with the right attitude and character was more important than having all the skills. I looked for employees who had some initiative and didn't need to be told everything they should be doing. I would rather have someone take initiative and make a mistake than someone who sat around doing nothing because they weren't told what to do. Skills can be learned; attitude is part of your character.

Check references and ask questions that will give you a sense of their work ethic, personality, trustworthiness, and commitment. Ask why they left and would they re-hire the person.

If you don't find the right person, start over. It's better to take the time and find the right person than to hire the wrong person. If you do hire someone and it's not working out, don't prolong the inevitable, let him or her go, learn from your mistake, and start over.

Managing Staff

Your staff, is your greatest resource, don't waste it. If you want your employee's respect you need to show them respect. Treat them the same way you want to be treated. Your employees have the skills, experience and ideas that will benefit your business and help make it successful.

Communication is very important if you want your employees to share your vision for the business. The more an employee feels apart of the business and understands why their job is important, the more loyal and committed they'll be.

When a new employee starts, explain the job to them and show them how you want it done. Allow them an opportunity to provide their input; they may have ideas on how the job could be done better or more efficiently.

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Once you've showed them how to do the job allow them to do it. Continue to encourage and support them but let them assume responsibility for doing the job.

Employees need to know they're accountable for doing their job. Follow-up on projects they're working on, without looking over their shoulder, to make sure the work is being completed accurately.

After about three months take time to evaluate your staff's performance, start by commenting on the tasks they have done well and point out areas that can be improved. Evaluations should be a positive experience for both you and your employee. Give your employee an opportunity to provide their input into how they think the job is going and ask if they have any suggestions to make their job more efficient.

Once you are comfortable that they know their job, give them more responsibility. Employees' work better, and are more committed and loyal if you show them you trust them.

Communicate regularly with your employees. If you want your employee to be excited about their work, you need to keep them informed on how the business is doing. Let them know your future plans and goals, the challenges and how their job contributes to the overall plan and why it's important.

Recognise them for their work. Everyone wants to know their work is appreciated. Acknowledge an employee who goes the extra mile, or comes up with a new idea, brings in new customers, etc. Reward excellence.

As a new business owner you may not be in a position to raise salaries at first, but you can provide other benefits to your employees. Consider taking them out for lunch or supper, giving them flexible hours, or an extra day off. Employees want job satisfaction in their work, they want to look forward to going to work. As an employer, if you want

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excellent staff, you need to make your employee feel their contributing to your growing business. When you're in a position to pay higher salaries, do it, good employees are hard to come by and deserve to receive fair compensations. Good employees won't stay if they feel they don't have any future in the business, and it will likely cost more to have them replaced than to pay them a fair salary.

Keep Accurate Records

Many new businesses spend so much of their time getting the business up and running that they neglect keeping accurate records.

I suggest you incorporate a good record keeping system before you even open your business. Set up a good filing system so you can easily find information about your business, such as your business license, tax information, lease etc.

I recommend you use a computerized accounting program to keep your bookkeeping up-to-date. Two popular programs like Simply Accounting and Quick Books are designed for small businesses and are inexpensive plus easy to use.

If you're unfamiliar with bookkeeping, have your accountant set-up your chart-of-accounts and show you how to enter the data, or hire a bookkeeper to keep your records up-to-date. If you do hire a bookkeeper make sure they take the time to become familiar with your business and that they take the time to explain the financial statements. A good bookkeeper will let you know when there's a need for concern and can provide suggestions to help turn things around before it's too late.

Incorporate a good system for storing invoices and financial records. You can save a lot of time when it comes to looking up invoices. Up-to-date financial statements help you manage your business, and keep on top of receivables. A good bookkeeping system will also save you time and money when it comes to preparing year-end tax returns.

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I recommend you operate your business as though you're going to be audited. That way if you do get audited, and you've kept accurate records, you'll have nothing to worry about.

Find a Good Mentor

Find a mentor, someone who has a successful business background. There are many retired business owners who would like to help someone just getting started. Find a good businessperson that has a strong sense of morals, ethics, and loyalty and are committed to making a difference in another person's life.

Good business people have experienced the ups-and-down of running a business and understand what it takes to have a successful business. Learn from their experience, they can help you avoid a lot of mistakes made by many new business owners. A good mentor will help you keep on track, keep you accountable and help keep things in perspective.

Find a mentor who is someone you feel comfortable working with. Some mentors may have a personality you know you can't get along with. Take some time to find the right person who understands your business goals and will invest the time necessary to help you build your business.

Be honest and upfront about your plans for your business, explain the difficulties you're facing, and don't be afraid to ask questions. Remember, they want you to succeed and they're taking their time to help you, so listen carefully to their direction and suggestions.

Ultimately it's up to you to make your own business decisions, take the information and decide what you believe and the best ideas for your business. Let your mentor know

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the decisions you've made and then plan for a follow-up meeting to review your progress and discuss new issues.

Show your mentor you appreciate them, you could take them out for lunch; give them a gift, anything that will show you value their investment in you.

If you can't find a mentor consider getting together with some other business owners regularly to discuss how your business is going and the issues you're working on. There's a good chance other owners have experienced similar problems. By sharing ideas you can support and encourage one another.

Business Advice

Good business advice costs money but could be money well spent. Check for references of good Business Advisors or Business Coaches in our community. Look out for professionals who promise you success and then ask for large amounts of money. There are no guarantees in business.

Look online there are many successful business owners that are willing to share their knowledge. Don't be afraid to spend some money to learn new ways to grow your business. Successful business owners are always looking for ways to improve their bottom line.

If you need help with your business contact us at [Entrepreneurs with Disabilities](#) or contact your local business centre.

Get Paid

Many people expect a lot for free; free estimates, free advice, free delivery, and no payment for 6 months. Within your pricing you need to include all the costs of your time. In a polite and diplomatic way make your customers aware that your time is valuable. Let your customers know right from the start that they need to make their

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payments on time. Too many business owners think that asking for money is rude and don't feel comfortable asking. Letting deadlines pass too long can show the customer you don't care. You will get more respect for being business-like and professional if you call to collect what's yours. The longer you let your receivables go, the harder it becomes to collect.

If you provide 30-day terms for paying invoices and haven't been paid, send out a reminder statement asking for payment and include any late payment costs. If it still hasn't been paid after 30-days, send out another statement followed-up with a phone call. After 90-days let them know if payment is not received, you'll forward the account to a collection firm. Make sure your customers are aware of the terms of payment when they make their purchase. You may even want to offer a 2% discount if the invoice is paid within 15-days.

If you're doing business online consider using a service like [PayPal](#), it's an inexpensive and quick way of getting paid.

Remember having a positive cash flow is vital to any business, and receivables only become part of your cash flow after you've been paid. Too many outstanding receivables can negatively affect the success of your business.

Customer Service

Good customer service really boils down to treating others the way you want to be treated. Good customer service starts with good leadership. By business owners who make it a priority of serving the people within their company.

With the focus on customers, every employee has a clear understanding of how his or her job relates to customer service. This includes everyone from the receptionist to the shipping clerk. Whether he or she has direct contact with the customer, their job is still relevant to providing good customer service. For example if your sales rep goes and secures an order, and shipping mixes up the order or is late in getting it out, you'll start

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loosing sales, no matter how good your sales rep is. If the receptionist is rude or indifferent when a customer calls it will leave a bad impression and lost business.

Studies show 68% of customers left, due to an attitude of indifference the by owner, manager, or some other employee. As the business owner, good customer service starts with you. You need to demonstrate this skill to your employees and customers. You need to ensure your employees are properly trained, are knowledgeable about their job or product, and understand the importance of their job within the organization.

Make sure the following is in place to create a positive customer encounter.

Physical Space: Is it clean, bright, well organized and in a convenient safe location?

Employees: Are they neatly dressed, well groomed, knowledgeable and helpful?

Product and Services: Is it reliable, priced fairly, and well stocked?

Atmosphere: Are customers treated with respect? Is service friendly and efficient? Is the company's reputation favourable?

Customer Expectation + Perception = Reality

Good business owners make themselves available to their customers. Customers like to know the people they do business with and appreciate the time owners take to greet them and answer their questions.

Providing excellent customer service is not a complicated science, if you simply follow the golden rule "treat others the way you want to be treated".

Networking

Networking is a good way to become known in your community. The key to having an effective network is having a good reputation. A good network will open doors that

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otherwise were not accessible. A network begins with the people you know, and the people they know - and so on. Successful business people network everyday with close friends, business associates and other contacts that make introductions for them.

Get involved with trade associations, the local chamber of commerce, service clubs, local business clubs, or anywhere that will connect you with people who can help build your business. Concentrate on building a good reputation and in time your network will grow.

The purpose of networking is to generate new leads, which will result in more sales. Networking is not about schmoozing; it's all about getting to know people that can help build you business.

Marketing from the Inside Out

How well you market your business will determine the success of your business. Marketing is the most important activity of any business. As a business owner you should be an ongoing student of marketing.

Every successful business combines these three essential components to their marketing strategy: MESSAGE – MEDIA – MARKET.

Each of these components is of equal importance. One feeds off the other two. Here's what you're striving for: You want to have the Right Messaging directed to the Right Market using the Right Media. Keep these three areas in perfect balance and you're well on your way to success.

Your business attitude should be reflected in your Mission Statement. If you haven't already developed a Mission Statement take time to do one now. The Mission Statement reflects the business attitude you have towards your customers. All planning and service delivery will be carried out in fulfilling your Mission Statement.

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Effective Marketing always starts from the inside. It's all about how you present yourself; it's about how the telephone is answered, how you answer an e-mail or how long it takes you to respond to a customer.

How well you present your business to your customer will determine how successful you'll be. That's why it is so important to start from the inside out. First impressions make a big difference; you want the first encounter to be a positive one. You and your staff need to present a courteous and professional impression, whether it's a sales clerk, receptionist or the accounts receivable person.

Here's an example, suppose you have a sale representative that goes out and makes the sale, he sends an order in and the shipping clerk mixes up the order and is slow in getting it out. You could have the best product on the market but if all parts of the company are not working together you'll leave a bad impression with the customer.

Once you're sure your business is ready to receive customers, you're then ready to start implementing your marketing strategy. Make sure to follow your plan and don't get talked into expensive advertising that's not part on the plan. Develop a tracking system that will tell you which method of advertising is getting you the best response. If you find one method is working better than another then look at doing more of what's working and drop others that aren't working. Test new advertising strategies to find new customers.

Start keeping a customer list as soon as you open for business, your customer list will be your most effective marketing tool. Once you have your list then make sure you communicate with them. One very effective way to use your list is to send out a monthly newsletter to your customers. Use it to let your customer know about a special offer, information on the benefits of your service or products. or new products that have just come in. This strategy will work for any type of business. For example, an auto repair service could include information on why its important to change their oil and also include a coupon for their next oil change. An accounting service could include

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information about tax changes for businesses, or tips for saving on the amount they pay in income tax.

How effective you are in finding and keeping customers will determine how successful you'll be. I suggest you learn everything you can about marketing by reading books and studying what's working in other businesses. We put out a monthly newsletter called Entrepreneur's Business Bulletin that you can subscribe to by going to our web site www.entrepreneurwithdisabilities.com. You'll find new ideas you can try to market your business.

Another key to effective marketing is to know your customers. When you start your business get in the habit of asking your customer questions. The more you know about the customer the easier it is to design your marketing strategy. You may for example find more of your customers are between the ages of 30-50 years old and are two incomes families. Then you can start to determine what form of advertising is most effective at reaching this target group.

Don't be afraid to call your customers after they've made a purchase to see if they were satisfied with their purchase and ask if there's anything they could suggest to make the service better. This is a good strategy to find out if you're not doing something right. Then you can come up with better systems to improve your service. Most people don't complain, but rather just stop going to that business. By asking a few questions you can correct problems before they get out of hand.

After we had been in business for a few months, we sent our customers a questionnaire asking for their feedback on what products they would like to see in the store and what times they preferred to shop. We include a coupon for a free video rental to everyone who responded.

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We sent out a newsletter to all the church Pastors making them aware of new books and videos that had come in. The key for success is to be consistent, one mail out is not enough, it takes time for customers to become familiar with your business. It takes time to build trust and customer loyalty.

Once you've been in business for awhile you will find that more and more of your time is spent doing tasks other than marketing. When you first started, you spent most of your time getting customers. Marketing was your first priority, but once you started getting customers the marketing gets less and less attention. To grow a vibrant and successful business that's always growing you can't let this happen. Marketing must always be your first priority. What you need to do is put systems in place so your business will run smoothly while you work on marketing.

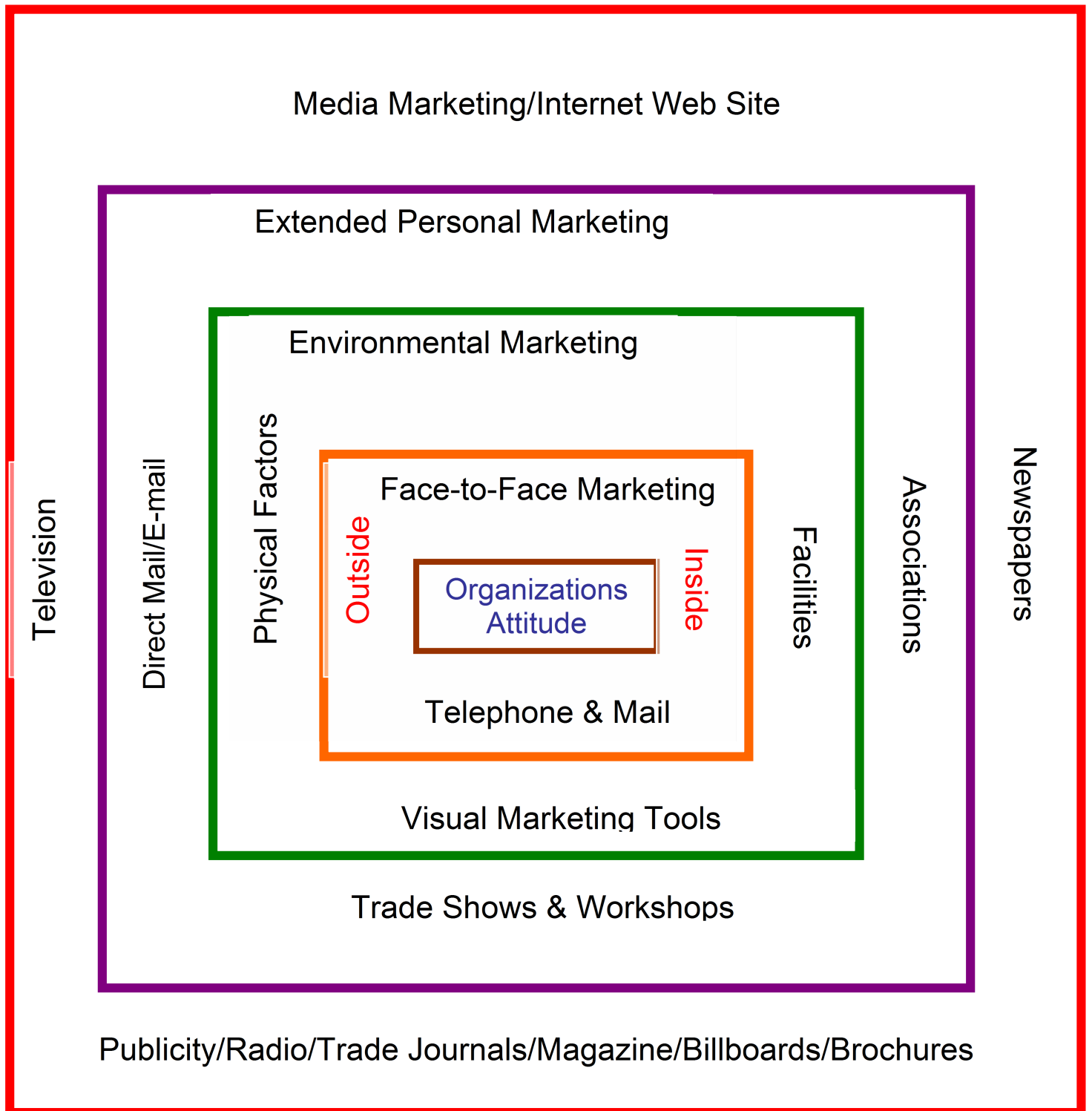
Systems explain what should happen, when it should happen and how it should happen. That includes every aspect of your business, from how customers are greeted on the phone, to how often the washrooms are cleaned, to what you say to customers when they come through the doors. Step-by-step procedures that clearly explain what happens when an order is received to what happens after the customer receives the product is necessary.

As a business owner you should start thinking now about what will make your business attractive to a potential buyer. Consider how easy it would be for someone new to take over your business. If your business is too dependent on you, then the value of your business decreases. The more systems you have in place for your business to run smoothly, the more you'll make when you do decide to sell.

For now though you want to develop systems so you can concentrate on growing your business.

Below is a diagram of the "Marketing from the Inside Out" strategy.

Marketing from the Inside Out



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Extended Personal Marketing

Extended personal marketing is the use of methods and techniques to reach a larger number of people than we do with face-to-face marketing. It may be sending out a newsletter or direct mail/e-mail piece, writing an article for a specific magazine or newspaper, conducting a seminar, sponsoring a little league team or joining a club or organization. Today people expect companies to put some money back into the community.

Media Marketing

Advertising can and does pay when handled correctly and when it's monitored. Respect your advertising dollars in the same way you would the wages of an employee. Advertising alone will not sell a product or service – advertising brings customers to your door. Hopefully, the inside of your organization can respond with knowledge, and a positive attitude. If not, don't bring customers to your business.

Be certain that you can fulfill your customer expectation. Don't exaggerate in your advertising; don't make claims you can't meet. You'll have a lot of unhappy customers if you can't follow through and you could also be breaking the law.

Budgeting For Advertising

Set a percentage figure based on anticipated sales. Don't let your accountant or a media representative determine what that budget should be. As part of your strategic marketing plan, determine the budget and a method to track your success. Ensure you ask your customers how they heard about your business and create a statistical tracking sheet to allocate the response. This valuable information will validate your media marketing campaign in the future.

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The Three Keys to Marketing

A costly common oversight by many marketing people is to neglect the following basic sure fire principles. These three, combined or used separately apply not only to advertising but also to all components of your marketing mix.

Positioning

Position your promotion as a result of the information gathered by interviewing your customers as mentioned earlier in developing your customer profiles.

The more specific you're positioning, the more effectively you can direct your promotional programs at your target market.

Strategy:

Carefully determine your strategy based on your advantages, your market, and your competition. For example, retailers will increase advertising leading up to Christmas. Others offer attractive discounts to retail customers during the home and garden shows. A florist shop will do more promotion for Valentines Day.

Creativity:

Your creativity flows naturally from your strategy and positioning. It must speak directly to these principles keeping in mind the words, graphics, and/or music.

Advertising

The following is a list of various form of advertising, with their advantages and disadvantages.

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Newspaper Advertising

Advantages

- Broad coverage of a market (Reach).
- Conveys detailed information, through words and visuals.
- Readers can review your ad at their leisure.
- Your ad can be targeted to specific broad groups of people.
- Ad sizes can vary depending upon your objective.
- The Price of an ad is comparatively low when you consider cost per reader.
- Newspapers tend to be the “shopping guide” for consumers who are in the market to buy.
- Newspapers are very flexible with regard to last minute changes.

Disadvantages

- Some groups are hard to reach with newspaper (e.g. younger age groups).
- Competition for the reader’s attention is keen.
- Readers can choose to ignore your ad.
- While people may say they read the paper every day, they often don’t spend much time reading it.

Television

Over 95% of all homes in North America have a television set. The average family spends about six hours a day watching TV. Therefore, television enables you to reach more people at one time than any other medium.

Advantages

- Combines sight, sound and motion unlike any other medium.
- Viewer recall is traditionally high.

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- Strong reach-building medium.
- Allows you to demonstrate your product claims.
- Reasonable cost-per-exposure.

Disadvantages

- Potential high cost of production.
- Programs with the highest audiences aren't always available or affordable on a local level.
- Keen competition for viewer attention.
- Viewer tendency to “zip” and “zap” past commercials.
- Your message only appears for about 30 or 60 seconds and then it is gone.
- Due to technical and creative complexities, commercials are best prepared by professionals.
- Viewership drops off in summer months.

Radio

Ninety-nine percent of all Canadian households have radios and 90% of all automobiles also have a radio also. Therefore, radio is uniquely able to reach your customer where no other media can.

Advantages

- By virtue of their specific formats, radio stations can target specific segments of the population that share similar interests.
- The cost of commercial production is low.
- The cost of air-time is low in relation to television.
- Radio is one of the best mediums for building frequency.
- Radio has traditionally been the best medium when it comes to creating and executing promotions.
- Because of its strength as a frequency-building medium, radio is a good complement to a Reach-building medium such as Newspaper, by providing repeated reminders of an offer.

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- Radio has the ability to stimulate an immediate audience response with the use of live remotes.

Disadvantages

- Radio can't visually illustrate your message.
- Because radio formats cater to specific smaller groups in a market, good reach (at least 50% of the market) is rarely, if ever attained with only one station.
- Radio is ineffective in communicating disclaimer information.

RADIO TUNING LEVELS ARE HIGHEST, ON AVERAGE, BETWEEN 7 AM AND 9 AM

Billboards

Advantages

- Billboards provide Broad Reach.
- Because most people tend to follow similar travel, especially Monday through Friday, billboards provide Frequency.
- Billboards allow for quality, full-color reproduction.
- Strategic when placed (positioning) in certain neighbourhoods or at specific intersections, as billboards target different types of people.
- Billboards allow you to present your production in a "Larger than Life" format.

Disadvantages

- Billboard advertising can be considered "Static".
- The message must be kept simple, with minimal information.
- High production costs can occur if campaigns aren't long term.
- Billboards must be booked for at least one four-week period, so they aren't flexible to adjustments and last minute changes.

Exterior Transit

Advantages

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- Exterior transit advertising acts as “Moving Billboards”.
- Exterior transit advertising can be more cost-efficient than billboards.
- Unlike paper billboards, exterior transit ads can be taken down and re-used later.
- Because they continually move around a market along major routes, exterior transit ads provide broad coverage (Reach) of a market.

Disadvantages

- Exterior transit ads must be kept simple, with minimal detail.
- Exterior transit ads must be booked for a minimum four-week period.

Direct Mail

You need to collect your customer’s personal information for this strategy to work. Direct mail or direct response advertising is by far the most effective advertising you can use. Start creating a customer list as soon as you open for business.

Direct mail is advertising literature that is sent through the postal system. In contrast to broadcast or print advertising, which can only permit you to highlight certain aspects of your product, direct mail allows you to expand upon your product in considerable detail.

The purpose of any business is to build a relationship with their customers. Direct mail is one of the most effective means of communicating with them. Your goal is to keep customers coming back, by sending them information about new specials and new products. This will show you’re interested in them and that you want their business.

Create your own mailing lists from your sales records. A good mailing list can be your most effective advertising method. It’s directed to customers who already know your business. Often suppliers will share the cost of a direct mail campaign.

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Advantages

- You can reach your target market with greater accuracy.
- You don't directly compete with other advertisers.

Disadvantages

- Some people don't bother to read it.
- It takes more time to put together.

Telemarketing

Telemarketing is an inexpensive way of promoting your product or service. For some businesses this has worked well, however today there is more concern about people's privacy. Be very cautious on how you call people and who's doing the calling.

Advantages

- Low cost.
- Can describe product or service.

Disadvantages

- Most people do not appreciate calls at home.
- You could turn people off from coming to your business.

E-mail

E-mail can be used similar to direct mail. Ask your customers if they would like to be included on your e-mail list. Explain to them how it'll be used and what they can expect, for example you could use it to announce a new product. Be sure to respect your customer privacy, assure them your list will never be given out or sold. **Do not**

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send spam. Spam can get you in a lot of hot water. Send your e-mails to only those customers who have agreed to receive them.

Advantages

- Low cost.
- Quick.
- Easy to set up.

Disadvantages

- Not everyone reads their e-mail.
- Takes time to build a list.

Yellow Pages

The Yellow Pages (Direct West) in most cases is part of your advertising investment. Depending on the type of business you're in it will determine how effective the Yellow Pages will be. The cost of your Yellow Pages listing can grow without you even realizing it. Beware!

Advantages

- Almost total market coverage.
- Immediate access.
- Easy to buy.
- Flexible ad placement.
- Last point of reference.

Disadvantages

- Can't fix mistakes.
- Can't promote sales.
- Passive medium.

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- Competition all around.
- Copy revision only once a year.
- Expensive depending on the size.

Web Site

As more people become comfortable shopping online, it has created an opportunity for many businesses to reach a broader customer base. More businesses now has a Web site that customers can use to make purchases online. A Website can be used to describe your product or service. A Website can be an effective marketing tool, but you need to have a plan. Your site layout and decide how you'll let your customers know you're online. You will want to include your Web address on all your promotional material. If you're going to have a Website make sure you have a plan to keep it up-to-date. You want to keep customer coming back to your site to see what's new.

If you're unfamiliar with marketing online then get some help and study other business's websites.

When you're collecting customer information, make sure to get their e-mail address. This is a very inexpensive form of advertising and can be very effective.

Advantages

- Wide customer base.
- Can include a variety of information about your business and products.

Disadvantages

- Can be expensive to set up.
- Takes time to maintain.
- Can be lost in all the other web sites.

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Conclusion

Managing a business involves a lot of hard work, and hopefully making more right decisions than wrong ones. As I've mentioned at the beginning of this E-book doesn't cover everything you need know to manage your business, but it will give you a good foundation on which to build. Starting and managing a business doesn't come easy and won't happen over night. If it were easy everyone would be doing it.

The most important thing is to start by taking action now. Many good businesses have failed because the owners gave up too early. You need to be persistent and determined to succeed!

To further assist you we've set-up a website called [Entrepreneurs with Disabilities](#) where you can sign up to receive a weekly newsletter, which includes information that will help you manage and market your business.

We wish you all the best. May your passion lead you to a successful business venture.