



## Smart Money Seminars

A Financial Education Series

# How to Write a Successful Business Plan





By the end of this seminar you will understand:

## Objectives

- The importance of having a business plan
- The components of a good business plan
- How to put your plan into action

# Why planning is important

## **A Business Plan is your road map to success**

- A business plan is like a roadmap
- It will help you reach your destination
- It will keep you on track and get you there in the most efficient manner



# Why planning is important

## Your Business Plan is an important Communications & Sales tool

- It tells a story about your business, explaining who, what, where, when, how and why.
- It should be focused and clear with specific business objectives and goals.
- It should be updated regularly.
- Externally, it will be used to market your business to investors, lenders, & other partners.
- Internally, it will be a key management tool for business review, goal setting, and focused strategy.

# Why planning is important

## Questions you should answer as you begin your Business Plan

- 1) What are your short and long term goals?
- 2) How will your Business Plan support these goals?
- 3) Who is your audience and what are their requirements?
- 4) What financial resources do you have and what does your business need?

# Why planning is important

**Your Business Plan provides a comprehensive storyboard about your business. It explains:**

- Who you are
- Why you're in business
- What you do, how you do it
- Where you operate
- How you will generate growth & profits
- Who your customers are
- Why your business is important



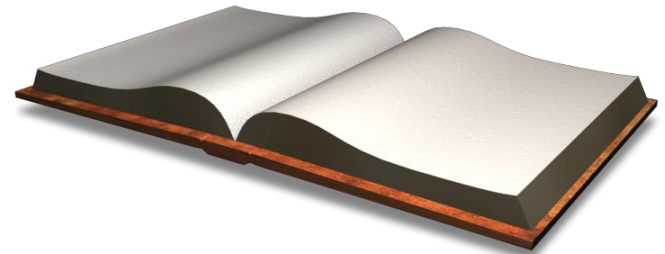
# Checkpoint

## Let's review

- The importance of having a business plan
- The components of a good business plan
- How to put your plan into action

## **A good business plan should include the following components:**

- 1) Table of Contents
- 2) Executive Summary
- 3) Business Description
- 4) Organization and Management
- 5) Market Analysis
- 6) Marketing and Sales Management
- 7) Service or Product Line
- 8) Financials
- 9) Funding Request
- 10) Appendix





## Executive Summary

- Provides a concise and compelling overview of your plan
- Explains who you are, what you do and why
- Tells the reader why you think your business idea will be successful
- Should be less than two pages, easy to read, and motivate the reader to “read on”

## Business Description

- Your business mission – the distinctive value proposition that sets you apart
- Describes the nature of your business – past, present, & future
- Primary success factors



## Organization and Management

- Includes your business's organizational structure
- Details the ownership of your business
- Profiles your management team
- Provides the qualifications of your Board of Directors & key advisors



## Market Analysis

- Provides industry description and outlook
- Defines your target market
- Includes market test results
- Identifies and evaluates your competition



## Marketing and Sales Strategies

- Marketing Strategy
  - Sales growth strategy
  - Distribution strategy
  - Communications strategy
  
- Sales Strategy
  - Sales force strategy
  - Sales activities



## Service or Product Line

- Provides a detailed description of your product or service, including manufacturing and operations needed to build product or perform service
- Includes information related to your product's life cycle
- Includes proprietary info protected by copyright, patent, or trade secret
- Provides information about your research and development activities

## Financials

- Includes historical data (income statements, balance sheets, and cash flow statements for the last 3 to 5 years)
- Provides projected financial data (forecasted income statements, balance sheets, cash flow statements, and capital expenditure budgets for the next 5 years)
- Identifies assumptions used, which should be conservative. Sensitivity analysis included for most critical assumptions.
- Includes a ratio and trend analysis for all financial statements (both past and prospective)

## Funding Request

- Includes your current funding requirement and for the next five years
- Explains how you will use the funds
- Include payback and exit strategy
- Includes long-range financial strategies



## The Appendix

- Credit history (personal & business)
- Resumes of key managers
- Product pictures
- Letters of reference
- Market studies
- Relevant magazine articles or book references
- Licenses, permits, or patents
- Legal documents, copies of leases, building permits, contracts
- List of business consultants, attorney and accountant

# Checkpoint

## Let's review

- The importance of having a business plan
- The components of a good business plan
- How to put your plan into action

## How to put your plan into action

**Step One:** Prepare a draft of your business plan.

**Step Two:** Discuss your draft and any questions you may have with a business mentor, coach, or other seasoned business advisor.

**Step Three:** Use the information you gather to complete your plan.

**Step Four:** Prepare an oral presentation w/slides.

# Checkpoint

## **Congratulations!**

- ☑ The importance of having a business plan
- ☑ The components of a good business plan
- ☑ How to put your plan into action

## Resources

### If you prefer to have someone help you prepare a Business Plan

**Honolulu Minority Business  
Development Center**  
**University of Hawaii at Manoa**  
Shidler College of Business  
2404 Maile Way, D307  
Honolulu, HI 96822  
Phone: (808) 956-0850  
Fax: (808) 956-0851  
Email: [info@honolulu-mbdc.org](mailto:info@honolulu-mbdc.org)

**Pacific Business Center Program  
University of Hawaii at Manoa**  
Shidler College of Business  
2404 Maile Way, A413  
Honolulu, Hawaii 96822  
Phone: (808)956-6286  
Fax: (808) 956-6278  
Email: [pbcp@hawaii.edu](mailto:pbcp@hawaii.edu)

**SCORE of Hawaii, Inc. Chapter #159**  
300 Ala Moana Blvd. Suite 2-235  
Honolulu, HI 96813  
[Hawaii.scorechapter.org](http://Hawaii.scorechapter.org)  
Phone: (808) 547-2700

# Resources

## Websites

- U.S. Small Business Administration in Honolulu: [sba.gov](http://sba.gov)
- Hawaii Small Business Development Center Network: [hawaii-sbdc.org](http://hawaii-sbdc.org)
- Honolulu Minority Development Center: [honolulu-mbdc.org](http://honolulu-mbdc.org)
- Hawaii Department of Commerce and Consumer Affairs: [hawaii.gov](http://hawaii.gov)
- Hawaii Department of Business, Economic Development and Tourism: [hawaii.gov](http://hawaii.gov)
- Hawaii Women's Business Center: [hwbc.org](http://hwbc.org)
- SCORE Hawaii: [hawaii.scorechapter.org](http://hawaii.scorechapter.org)

# What Questions Might You Have?

A photograph of a man and a young child standing in shallow, clear turquoise water. The man is shirtless and wearing patterned swim trunks, holding the child. They are looking out at a small rock formation in the distance under a clear blue sky. The image is framed by a blue and green wavy graphic at the bottom.

Mahalo!

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