



By Tasha Phelps

Building a Strong Business Plan With Strategy

The core of a successful business is having a solid business plan. Many times, start up companies begin with a novel idea, and a grand expectation, but lack strategic planning. Women-owned businesses are certainly not exempt from these pitfalls, but there are resources out there that can help a new (and even already existing) business with the development of a stronger plan for success.

Because business can sometimes grow and evolve faster than expected, it's important to have resources aligned at your fingertips when help is needed. Indianapolis has done a good job understanding and creating avenues for women to access information. Educational institutions, for instance, have seemingly latched on to the philosophy of "business model" instruction in the classroom.

Many educational institutions understand that business development fundamentally begins with what is learned at the collegiate level. There are many resources right here in Central Indiana that focus on the educational component of business development and planning. Though they may each have a different approach to consolidation of information, they should all recognize the importance of a comprehensive approach to including the core areas of business: Finance, Marketing, Operations, and Technology.

Within these four components, business should be thoroughly analyzed and evaluated to comprehensively understand how the activities of a business are inter-related. For a compilation of additional resources listing colleges and supplemental information, please visit: www.phelco.com/Collegiate. These resources are supportive and helpful for not only the young professionals that are looking for education in the area of business, but also the existing professionals that may be considering additional course study.

For *seasoned* professionals that may be looking to "revitalize" or "re-energize" their existing career, Indianapolis is right in the middle of the action. Though NUMEROUS resources exist for a business development (consultation, literature and guides), professionals need to remember to include STRATEGY.

Strategy is the key component that considers the development of a plan to:

- maintain and increase value of the business (FINANCE)
- create and sustain a competitive advantage in the market (MARKETING)
- organize and manage leadership teams (OPERATIONS)
- implement efficient solutions for the security of your data (TECHNOLOGY)

Locally, SCORE is one resource that gets it. Founded in 1964, this non-profit organization has positioned itself to provide **free** confidential business counseling and low cost seminars to clients. As a resource partner to the US Small Business Administration, the organization has access to information and statistical drivers for changes in economic conditions of the business community. Online, they list additional resources that (often times) bridge the gap between answered and unanswered questions (www.indyscore.org).

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When sampling a cross-section of women in business, and inquiring about their respective approaches to business plan strategy, the majority of women responded shared that they HAVE a plan, it's just not written down.... Unfortunately, that approach doesn't help with the continuity of the business in the event of an emergency.

Deborah Oatts, President of Nubian Construction Group, says, "having a defined strategy is critical to the success of our business. I've learned that my team works best from a plan and that I have to document the plan in the event of my (unforeseen) absence."

You may now be asking, "what are the steps to developing a good business plan, and who is the most qualified to write it?" The answers are more simple than you might think... YOU as the business owner are the most qualified to write the plan, and should be in charge of its components. Consultants can certainly be hired or contracted to assist with the process, but ultimately, the business owner will still be required to collect financial data, define processes and procedures, identify marketing strategies, and communicate with clients, vendors and strategic partners.

That being said, the Small Business Administration offers very descriptive information on the components that should be included in a comprehensive plan:

I. The Business

- A. Description of business
- B. Marketing
- C. Competition
- D. Operating procedures
- E. Personnel
- F. Business insurance

II. Financial Data

- A. Loan applications
- B. Capital equipment and supply list
- C. Balance sheet
- D. Breakeven analysis
- E. Pro-forma income projections (profit & loss statements)
- F. Three-year summary
- G. Detail by month, first year
- H. Detail by quarters, second and third years
- I. Assumptions upon which projections were based
- J. Pro-forma cash flow

III. Supporting Documents

- A. Tax returns of principals for last three years Personal financial statement (all banks have these forms)
- B. For franchised businesses, a copy of franchise contract and all supporting documents provided by the franchisor
- C. Copy of proposed lease or purchase agreement for building space
- D. Copy of licenses and other legal documents
- E. Copy of resumes of all principals
- F. Copies of letters of intent from suppliers, etc.

Visiting the local SBA office can also be of valuable assistance. Located at 8500 Keystone Avenue, the representatives in the local office of SBA eagerly await the opportunity to assist small and emerging businesses with effective planning. Not only is their "charge" but it is their gift.

If you have an idea, the desire to build the business, and the drive to accomplish, don't neglect the planning process!

Source: http://www.sba.gov/smallbusinessplanner/plan/writeabusinessplan/SERV_WRRITINGBUSPLAN.html

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