

# Business Plan Overview

## What is a business plan?

A business plan is a document that can be shared with other people that explains the *Who, What, Where, When, Why, How, and How Much* of your business. A business plan discusses not only where your business is now, but also where your business is headed for the next several years.

If you have completed the other chapters in this training series, writing a business plan will be easy for you. You have done most of the hard work and thinking already. If you have not yet completed the other chapters in this training series, you may want to review them now.

## Who should have a business plan?

- ▲ Homes
- ▲ Centers
- ▲ Anyone who is thinking of starting-up, improving the quality of, or expanding their child care

## Why should you have a business plan?

- ▲ To act as a map that tells you where your business is headed
- ▲ To help you see your strengths and weaknesses
- ▲ To communicate to others the plan for your business
- ▲ To obtain a loan

Writing a business plan can be a great opportunity for you to learn more about your business. When writing your business plan, keep in mind that the thinking that goes behind the plan is even more important than the final presentation of your plan.

Business plans generally consist of:

Section	Purpose
Cover Page	
Table of Contents	Helps reader navigate your plan
Executive Summary	Summarizes each major heading of your plan
Business Description	Explains <i>why</i> you are in business, <i>what</i> you are trying to achieve, the <i>structure</i> your business will take, and <i>where</i> you will be located
Product or Services	Describes <i>what</i> the services are that your business will offer
Market Research and Analysis	Describes <i>what</i> the child care industry, your target market, your target customers, and your competition are like
Marketing Plan	Explains <i>how</i> you will reach your target customers
Operational Plan	Describes <i>how</i> you will run your business (your policies, hours, etc.)
Management Plan	Describes <i>who</i> will be involved in the business and <i>what</i> expertise they have
Financial Plan	Shows <i>how much</i> money you need, <i>how much</i> income you will earn, and <i>when</i> you will be profitable
Appendix	Provides documents that support the information that you provided in the rest of your business plan

# Business Plan Overview

## Checklist

Sometimes all the details that go into a business plan can start to feel overwhelming or confusing. Don't worry, just follow this checklist and you will be in good shape. If you don't remember where to get the information that is included in each section, refer to the chapter that covered that topic. The final format of your business plan does not have to follow the format of the checklist exactly, but should contain all of the information.

Item	Chapter (if applicable)	Done?
<b>Cover Page</b>		
Your business name		
Your name		
The contact details of your business and/or your contact details (and any other owners)		
The date you finished the plan		
Your logo (if you have one)		
Confidentiality statement		
Other _____		
<b>Table of Contents</b>		
A list of the major and minor headings in your business plan with page numbers		
<b>Executive Summary</b>		
Summary of your business description, product or service, market research and analysis, marketing plan, operational plan, and financial plan		
<b>Business Description</b>		
Your mission statement	1	
Your short and long term goals	5	
Strategies for achieving those goals	5	
A description of your legal structure and why you chose that structure	2	
When your business was or will be founded. If it is an existing business, the history of the business	5	
Other _____		
<b>Products and Services</b>		
Describe the services that your business will offer	1	
Explain what makes your service unique	1	
Detail your pricing policy	4	
Other _____		
<b>Market Research and Analysis</b>		
Describe industry trends	1	
Define your target market (what is the demand for child care, # of children in your area, etc.)	1	
Describe your target customer	1	
Describe your competition. Explain why your business is needed despite the competition	1	
Explain why you selected your location	1	
Other _____		
<b>Marketing Plan</b>		
Detail your plan for marketing your business through word-of-mouth, direct marketing, advertising, and public relations	3	
Explain how you will provide excellent customer service	6	
Other _____		

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Checklist

Item	Chapter (if applicable)	Done?
<b>Operational Plan</b>		
Explain the policies that will be included in your parent handbook (include parent handbook in Appendix)	6	
Explain the terms of your enrollment packet (include enrollment packet in Appendix)	6	
Identify your vendors and suppliers	4	
Define your equipment, insurance, and space needs and how you are going to address these needs	2	
Other _____		
<b>Management Plan</b>		
Define your management team (including yourself, your board, your employees, your partners, and your entrepreneurial team –accountant, lawyer, etc.). Describe their personal histories and experience levels as they relate to your business	9	
Define your employee policies and strategies for selecting, training, and compensation (if applicable)	9	
Other _____		
<b>Financial Plan</b>		
Existing business (Profit & Loss and Balance Sheet)	8	
Start-up business (Start-up Costs)	4	
Project Costs (if applicable)	4	
Cash Flow Projections	4	
Break-Even Analysis	4	
Summary of your short-term and long-term financial assumptions	8	
Overview of how you plan to handle your bookkeeping	7	
Funds needed		
Other _____		
<b>Appendix</b>		
Resumes of key management, blurbs on other management members		
Job descriptions		
Copies of forms		
Copies of licenses (child care, business, etc.)		
Estimates		
If you are applying for a loan, include Personal and Business Tax Returns		
Marketing materials (brochures, pictures, etc.)		
Other _____		
Other _____		
Other _____		



**Idea!**

Even though the Executive Summary comes at the beginning of the business plan, you should write it *last*, after you have finished all the other pieces of your plan.

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## Exercise 11-1: Business Plan Mix-Up

A child care provider has come to you with a business plan. The child care provider has gotten all of her titles in her plan mixed up. Help her match the correct titles to the information that should be in each section by drawing a line from the title to the correct description.

- |  |   |
|--|---|
| <b>1. Table of Contents</b>            | (a.) Describes <i>what</i> the services are that your business will offer   |
| <b>2. Executive Summary</b>            | (b.) Describes <i>how</i> you will run your business (your policies, hours, etc.)   |
| <b>3. Business Description</b>         | (c.) Explains <i>how</i> you will reach your target customers   |
| <b>4. Products and Services</b>        | (d.) Describes <i>who</i> will be involved in the business and <i>what</i> expertise they have  |
| <b>5. Market Research and Analysis</b> | (e.) Shows <i>how much</i> money you need, <i>how much</i> income you will earn, and <i>when</i> you will be profitable   |
| <b>6. Marketing Plan</b>               | (f.) Summarizes each major heading of your plan   |
| <b>7. Operational Plan</b>             | (g.) Provides documents that support the information that you provided in the rest of your business plan  |
| <b>8. Management Plan</b>              | (h.) Describes <i>what</i> the child care industry, your target market, your target customers, and your competition are like  |
| <b>9. Financial Plan</b>               | (i.) Explains <i>why</i> you are in business, <i>what</i> you are trying to achieve, the <i>structure</i> your business will take, and <i>where</i> you will be located |
| <b>10. Appendix</b>                    | (j.)  Helps reader navigate your plan  |

