Western Kentucky University
TopSCHOLAR®

University Organizations | WKU Archives Records

5-19-2010

UA62/3 May Newsletter

Kentucky Small Business Development Center

Follow this and additional works at: http://digitalcommons.wku.edu/univ_org

Part of the Entrepreneurial and Small Business Operations Commons

Recommended Citation
Kentucky Small Business Development Center, "UA62/3 May Newsletter" (2010). *University Organizations.* Paper 54.
http://digitalcommons.wku.edu/univ_org/54

This Newsletter is brought to you for free and open access by TopSCHOLAR®. It has been accepted for inclusion in University Organizations by an authorized administrator of TopSCHOLAR®. For more information, please contact connie.foster@wku.edu.

KENTUCKY **SMALL BUSINESS DEVELOPMENT** CENTER

at Western Kentucky University

Bowling Green

Issue: # 20 5/19/2010

Greetings!

You now have the capability to join our workshops from anywhere. Every Thursday at noon click here to watch our workshops streaming live.

Tomorrow at noon we will be presenting "The Game of Cashflow and Assets." Please join us.

Also, Thom Crimans of FranNet will be here tomorrow night at the Carroll Knicely Center at 6pm to discuss the pros and cons of Franchise Ownership and how to purchase one. Click here for details and to register.(it is free!)

Additionally, sign up for free one-on-one counseling here and to learn more about entrepreneurship classes and the CEI at WKU, click

here.

Have a great day!

Adam Brownlee

Director, WKU SBDC

adam.brownlee@wku.edu

www.wkusmallbiz.com

In This Issue

The Engine for a Better Business Model

Cash Flow Day

Get Rich on Your

Find us on Facebook

The Engine for a Better Business Model

Implementing Success

The Business Plan - Well Yeah There is an Outline But This is Not War and Peace

If you perform a web search on the term "business plan outline" or peruse your local book warehouse, you will inevitably come across a half a dozen, varying outlines. My motto is - find one that you are comfortable with and then get very comfortable with that outline - quite similar to Warren Buffet's "put all of your eggs in one basket and then watch that basket closely," except he has a billion dollars. If you are dusting off the old business plan or starting from scratch then you need to familiarize yourself with a good outline. And remember, this is not an Ayn Rand novel.

Here's the one I use:

Business Plan

A Living, Breathing, Implementable Document

In a perfect world, your business plan would sprout arms and operate the cash register but the truth is it is probably dead in a drawer somewhere next to an old Kenny Roger's CD you keep around for "me" time. Your mission now is to find that drawer, open drawer, grab feather duster and get to work. Your business plan in part contains your hopes and dreams for your business as well as how to operate the whole thing. It sure as heck deserves a better fate than Kenny.

As far as the living, breathing and implementing part, your business plan should be wired into your business. At a minimum, you should do this by reviewing the key elements of the plan in bi-weekly team meetings and quarterly strategic meetings and tracking progress. According to Dr. Matt Marvel, Professor of Entrepreneurship at Western Kentucky University, a common belief is that if I "plan" for it (make lists, goals, milestones) then they must surely come true because I planned for it. If I plan for it then it must come true is planning fallacy. Just because you "plan" for sales to reach X or Y it does not mean they actually will.

examine specific sections and see how you are stacking up:Let's examine specific sections and see how you are stacking up:

The Vision and Mission

Lunch Break

Join us at noon on Thursday, on the hill, (Garrett Conference Center Room 100) for workshops that will teach you how to build a better business system and how to become financially independent.

Upcoming Workshops:

The Game of Cash Flow and Assets

Franchise Ownership

Government Contracting

How to Market the Crap Out of Your Business Using Facebook and YouTube

Maximize Profits: How to Position Your Business for the Coming Recovery

Thom Crimans of Fran Net will be here on May 20th to details and free services to see what franchise you are best fit for. If you are interested in purchasing a franchise, this workshop is for you. -

Sometimes viewed as the enlightening, blue sky statement that hangs on the manager's wood paneling - it sounds idealistic and cute but the real world says otherwise. The real world says to hell with your idyllic view of how you think your business should run, I'm in charge. But isn't the Mission why you went into business in the first place? The Vision and Mission at a minimum is the driving force of the business, the fountainhead the business is chasing after. The whole point of having one is to use it to drive through the daily onslaught of reality. It should be kept at the forefront and reviewed daily. If you haven't developed an overall mission or vision stop now, do not pass go, do not collect $200. Get to work putting one together by asking who do we serve, why do we serve them and how do we serve them? What is our overall purpose for being in business? What should our business look like now and in the future? Write it down and read it at every meeting.

Business Description and Product or Service Description

This is the section that says "we will deliver quality service and products in a unique and outstanding environment. Our customers will be wowed by us until they explode." Great! Now the question is, how is this glorious statement tied into the business? What is your standard for checking up on customer satisfaction and product quality? Do you survey the customer on a regular basis, bring up the results in team meetings and pow-wow on solutions to the situation? You should be.

Which brings us to our next area of planning and integration ...

Management and Personnel

If you really brought your "A" game to this section then you developed an organizational chart. If you brought your "A" game, a cup of coffee and a knack for delegating, then you fleshed out roles, responsibilities and accountability for each position listed in your org chart. In keeping with the previous product and service example, if you show up at a meeting and don't know who is responsible for improving customer service, then chances are you have some unhappy customers. If the org chart indicates that Joe is responsible for customer satisfaction then the meeting script would go something like this ... "Joe, we are receiving a fair amount of customer complaints. Any insight into this?" or "Joe, our customers are raving happy, how'd you do this?" Joe would ideally wake up from his nap and respond "are you talking to me?"

If everyone knows their roles and responsibilities and accountability, then there should be no big surprises.

Marketing

In the marketing section you literally listed out the varying channels that you would employ to market the business - web, print, radio, blimps, wacky waving inflatable arm flailing tube men, etc. Hopefully you also included a measure on how to grade the effectiveness of each channel. How are you doing? If the newspaper ads are providing a rate of return of 150% but the radio spots are barely breaking even, perhaps it is time to kick the radio

same time, day and place.

Also, all of our workshops will be streamed live, every Thursday at noon.

Click to watch!

Parking passes will be provided - pick them up at Garrett room 121 10 minutes before-hand unless location is not in Garrett.

Click here for directions and details.

Funded in part through a cooperative agreement with the U.S. Small Business Administration.

All opinions, conclusions, or recommendations are those of the author(s) and do not necessarily reflect the views of SBA.

Reasonable accomodations for persons with disabilities will be made if requested at least two weeks in advance. Contact Adam Brownlee, 1906 College Heights Blvd., #61086, Bowling Green, KY 42101. 1-270-745-1905.

Join our Mailing List

Quick Links

channel and beef up the print ads ... or invest in half a dozen more wacky waving inflatable arm flailing tube men.

Finally, Financials

No matter how you slice it, it typically boils down to the money. You should be preparing a monthly budget and reconciling actuals back to the budget. If not, then again, do not pass go, do not collect $200, go directly to your local book warehouse or search on "budgeting". This is all important - in your business plan you prepared forecasts. Those forecasts need to be revisited - there may be opportunities for improvement.

You also need to be fairly familiar with the balance sheet and cash flow statement. Ideally, the business is building an asset and increasing equity over time, not metastasizing into a raging spiral of death. If you are continually throwing good money after bad into a black hole of debt, it is time for radical improvement or time to cut your losses.

Goals and Milestones - You Said You Were Going to Live up to Them, How'd you do?

Although by all appearances the "Secret" was a profitable attempt to repackage motivational material from the 80s and market it into an international bestselling book and DVD, the real secret is to set meaningful goals and milestones for your business and keep them in front of you at all times. They will serve as the engine that will drive your entrepreneurial spirit even when you don't want to go into work for the day. They should answer the question where is the business headed and prompt you to take the steps to get there.

In the existing business plan you want to review the goals that were created and check to see if in fact you hit those goals. If not, why not? Keep the business goals in front of you and the staff at all times and remember, be specific: It is much better to say "I want to weigh 171 by December, 25th 2011 at 7pm" than "I want to lose weight." In the second example you can take off a sock and then cheer "mission accomplished."

Some goals and milestones you may want to think about:

1) An exit strategy is not a planned fire escape route. It is the ultimate goal for your business. Are you going to work until you hit the ripe old age of 110, hand it off to the kids, or sell it for a nice sum of cash? Michael Gerber, author of eMyth Revisited, asserts that the goal of every business owner is to eventually sell the business. How much will you sell it for?

2) When will you be financially independent? You didn't start the business to have a hobby. At what point will your passive income be equal to or greater than your expenses?

3)
What will sales levels look like in the next 3 and 5 years?

4) Do you wish to expand and open additional stores this year, create a

Contact Us!

Register for a Workshop

Resources

wkusbdc.com

KSBDC

SBA

IRS

Cash Flow Day

Get Rich on Your Lunch Break

Join us at noon on Thursday, on the hill, (Garrett Conference Center Room 100) for workshops that will teach you how to build a better business system and how to become financially independent.

Upcoming Workshops:

The Game of Cash

new strategic alliance, or perhaps diversify your product offerings? Sometimes though it is best to remember that many business opportunities will come your way and it is best at times to be selective and focus.

The Times They are A'Changin

According to Matt Whitaker, Business Consultant with the Small Business Development Center, "most business owners do not accommodate for change in their business plans. They remain rigid and hope that everything will roll out exactly as planned. If it doesn't, they are typically at a loss and cannot adjust."

The point is, plan for change. Your budget should have a miscellaneous category for unforeseen expenses and you should project a best, worst case and most likely scenario in your sales projection.

Implementation - It's a Pretty Document ... So What?

Again, as I previously indicated, if you have a great plan chock full of financially literate terms such as "nominal rate of return" and "net present value" then good for you ... you have a great vocabulary. If you actually use the plan in the business then you have great follow-through and a solid business model in addition to a fancy vocabulary. I can't emphasis this enough: the plan needs to be integrated into the business on a strategic and tactical level via company meetings and day to day operations. The individuals responsible for facilitating the key functions of the business need roles and responsibilities spelled out and a standard they are held accountable to. The mission, vision and goals should be at the forefront of the business. The cash flow projection should be reconciled monthly.

In summary, the business plan is typically gathering dust in a drawer next to a fork stashed away for lunch. More than likely the initial development process was haphazard, painstaking and a relief to finish. In reality the plan, if done correctly and implemented, provides a great vision and map for your business to succeed as well as a consistent experience for both the customer and employees. It provides a standard of operation in your business and delivers a consistent value proposition to your customers. It creates the future by laying out goals and milestones, and builds rail-road tracks to take you there. It is a cliché to say it is a "living document" but the fact is the business plan can be a multi-cylindered engine that drives you to a better business model.

Also, if you would like free one-on-one counseling and wish to implement the systems discussed here, register here for free coaching.

Thanks.

Thanks for taking the time to read our newsletter and for passing it along to folks who might be interested in its content and our services. Please contact us at wkusmallbiz.com if you are starting a small business or if you

Flow and Assets

Franchise Ownership

Government Contracting

How to Market the Crap Out of Your Business Using Facebook and YouTube

Maximize Profits: How to Position Your Business for the Coming Recovery

Thom Crimans of Fran Net will be here on May 20th to details and free services to see what franchise you are best fit for. If you are interested in purchasing a franchise, this workshop is for you. - same time, day and place.

Also, all of our workshops will be streamed live, every Thursday at noon.

Click to watch!

Parking passes will be provided - pick them up at Garrett room 121 10 minutes before-hand unless location is not in Garrett.

need a tune-up.

We look forward to serving you.

Sincerely,

Adam Brownlee
Director, WKU SBDC

adam.brownlee@wku.edu

wkusmallbiz.com

Click here for directions and details.

Save 100%

Our one-on-one coaching is free, always.* If you would like to discuss the above topics, develop a business plan, franchise prototype manual, financial projections or web site or attend one of our workshops, go to wkusmallbiz.com, click on "Contact Us," enter your information and a special little message that preferrably comments on how cool we are.

Check out our upcoming workshops under the training tab.

*There is no catch to this. We are grant funded. Our services are free. This is not a teaser rate in which we bait you to sign you up for fee-based services. We do not force you to look at time shares for hours on end in order to receive admission to Disney World. We do not have a water park, animatronic pirates nor a jolly, rodent mascot. We have coffee, and if there is any left, we will offer you a cup.

Offer Expires: Never