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## UA62/3 March Newsletter

Kentucky Small Business Development Center

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### Greetings!

This week let's talk about business plans and attempt to dissolve the intimidation factor. A business plan is integral if you are going to build a system and not a bucket. It is an opportunity to develop a strong asset and build cash flow.

Although the process can be daunting it is an important skill that every business owner should develop.

Also, this upcoming Thursday don't miss our **Business Plan Financials** workshop at noon in our office Garrett Conference Center Room 122. Click

[here](#) to register.

We will cover Uses of Funds, Break Even Analysis, the Income Statement, Cash Flow Statement and Balance Sheet. See the side-bar for details.

Happy Reading!

**Adam Brownlee**

**Director, WKU SBDC**

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[Death by Business Plan](#)



### Cash Flow Day

#### Get Rich on Your Lunch Break

Starting March 25th, Join us every Thursday on the hill, (Garrett Conference Center Room 122) from noon

# Death by Business Plan

## Folks it is Not That Bad

Look, here it is. This is the outline ...



### Cover Sheet

### Table of Contents

Executive Summary

### The Business

- Strengths and Weaknesses
- Legal Structure
- Business Description
- Product or Service Description
- IP Property Description
- Location
- Management Personnel
- Records
- Insurance
- Security
- Litigation
- Risk Factors

### The Marketing

- Markets
- Competition
- Distribution and Sales
- Marketing
- Industry and Market Trends
- Strategy

### The Financials

- Uses of Funds
- Income Statement
- Cash Flow Statement
- Balance Sheet
- Income Projections
- Breakeven Analysis

### The Supporting Documents

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For info on each of these sections, click [here](#) and then select Business Plan Info on left

to 1pm for a workshop that will teach you to build Assets, generate Cash Flow, and reach Financial Independence.

Tentative topics include: Business Plan Financials, Intellectual Property and Going Public - How to Issue an IPO. Click

[here](#) for workshop info.

Parking passes will be provided - pick them up at Garrett room 121 10 minutes before-hand.

Click [here](#) for directions and details.



### Quick Links

[Contact Us!](#)

[Register for a Workshop](#)

[Resources](#)

[wkustds.com](#)

[KSBDC](#)

[SBA](#)

[IRS](#)

## Pointers:

Don't write a technical document. This is a strategic document. If you present a 100 page plan to your bank or investor, they are not going to read it. Fifteen to 20 pages should suffice.

The Executive Summary should be written last and is the highlight reel of the rest of the plan.

If you operate a business as a sole proprietorship, change that. Seek out competent legal advice and form an entity - An S Corp, C Corp, LLC or LLP. A serious investor will deposit the business plan in the trash if they see you are a sole proprietor.

The business plan should include the company mission (compass), goals (the map) and tactics (steps to achieve your goals.)

Remember on goals, be specific. Instead of saying I want to lose weight, state "I will weigh 171 by September 22nd, 2010 at 7pm." Be very specific, read it three times a day, rewrite it every day, visualize it as already complete, affirm it out loud.

What is your exit plan, the ultimate goal for your business? Are you going to run it forever and ever amen until you are long in the tooth, sell it to the kids or flip it for a profit. What are the tax consequences of such a move?

Cash flow is king. Your business plan should contain a cash flow statement and for your own sake it should show that the business can cash flow. This is for your benefit - do not sugar coat your projections.

Over time the business should be building and/or buying you an asset. This will be reflected in the balance sheet.

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Now, can the [Small Business Development Center](#) at WKU help you with your business plan? Yes we can. Does the [Gordon Ford College of Business](#) offer courses in entrepreneurship? Yes they do.

Remember our small business mantra - build systems, not buckets - and the vital role a business plan plays in the following anecdote:

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A small town in need of water identifies a quality source, a large lake one mile away. Two budding entrepreneurs start a business to deliver the water to the town. The first gal gets a bucket on day one and starts tenaciously hauling, making about a \$100 a day.

The second gal plans for 6 months, visits the [Small Business Development Center](#), writes a business plan, incorporates, secures financing from her banker, meets with the zoning commission, buys insurance, hires employees, builds a pipeline and starts pumping water to the town for about \$1,000 a day.



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 accommodations 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.



## Cash Flow Day

### Get Rich on Your Lunch Break

Starting March 25th, Join us every Thursday on the hill, (Garrett Conference Center Room 122) from noon to 1pm for a workshop that will teach you to build Assets, generate Cash Flow, and reach Financial Independence.

The first gal seeing this starts hauling two buckets a day, hires her son into the business, starts working 12 hours a day and after 12 months of this, folds and goes back to her day job.

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The point again is to build systems, not buckets.

Have a great day!

Adam

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](http://wkusmallbiz.com) if you are starting a small business or if you need a tune-up.

We look forward to serving you.

**Sincerely,**

Adam Brownlee  
Director, WKU SBDC

[adam.brownlee@wku.edu](mailto:adam.brownlee@wku.edu)

[wkusmallbiz.com](http://wkusmallbiz.com)

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**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](http://wkusmallbiz.com), click on "Contact Us," enter your information and a special little message that preferably 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**