



# South Haven Region Business Hub

## How to Write a Business Plan

A business plan is a written document that develops and details the potential of a new business, as well as the knowledge and the *credibility* of the author/owner; it is the roadmap a business will follow as it establishes itself and opens for business.

When a small businessperson launches a business without the simplest of business plans, they are left to face many barriers when things don't go as expected.

### A business plan does several things:

- It proves that the author has the drive and the knowledge to put the plan together; your mentor, business partner, funder, family, etc. will take you more seriously with a business plan in hand.
- It points out to the author what he or she does not yet know about the business (*usually financially and/or marketing*) and compels them to learn and seek out resources to support their knowledge.
- It shows the reader that the author understands all aspects of the business and is prepared to operate in a professional, ethical, and credible manner.
- Finally, it indicates to the financiers that the owner and the business have the character, ability, and desire to pay back a loan on time, every time (something financiers like).

The best business plans are those *completely written by the new business owner* since you are the one in need of all the information the plan develops and the one who knows the most about your business.

### How long is a business plan?

- **Summary Plan.** Up to 15 pages; used for startups, bank funding, crowdfunding, more modest investment needs, and smaller companies.
- **Full Plan.** 20 to 50 or more pages; used for major financing, manufacturing companies, and more complex businesses.

### A good business plan should honestly and completely present the following:

1. **Cover Page.** Company name, author, and contact information (especially in formal presentations).
2. **Table of Contents.** No two business plans are quite the same and 60 pages can get cumbersome for anyone.
3. **Executive Summary.** Two short paragraphs to describe the business and what the plan is for. (Do this last; by then you'll have language to describe it succinctly).

4. **Description of the Business.** Include your mission statement, company goals, objectives, philosophy, business model structure, and relevant business history (if applicable).
5. **Description of Major Products or Services Offered.** Here you will sell your “special sauce;” the advantages, disadvantages, pricing, etc., in detail. As appendices add your suppliers’ lists, sales literature, marketing plans, competitive analysis, and financial forecasts.
6. **Operations Plans.** Describe how your business will run; define layouts, inventory, hours, equipment, and labor needs then explain how they will help you reach your desired outcomes.
7. **Marketing Plans.** Examine your industry and niche to determine who your customers are, your competition’s good and bad points, details of the where/how, costs and timing of your marketing and events then define your messaging and measurements of success.
8. **Management and Personnel Section.** Describe the owner’s background/experience and define others by title. Discuss the business staffing needs required to meet your goals and where you will find your employees.
9. **Financial Statements.** Within the appropriate size and scope of the business, provide documentation of startup expenses, cash flow, breakeven point, profit margin, profit & loss, balance sheet, pricing calculations, owner’s personal financial statement and anything else your financial institution can use to help you achieve financing (if/when you need it).
10. **Appendices.** Contains key supporting documents, drawings, contracts, sales, and other literature that has been referenced and supporting points throughout the text.

**Our Mission:** Making the South Haven Region a place where entrepreneurs want to start and grow.

**Guiding Principles:** Combining collective knowledge, connections, and resources of the community, creating initiatives, and partnerships for ALL our local entrepreneurs.

**Our partners include the South Haven Foundation City of South Haven, South Haven Area Chamber of Commerce, and Lake Michigan College.**



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