



Writing a Business Plan for an Existing Business

LESSON TOPICS

1. Executive summary

An Executive Summary gives you the opportunity to sell the business and its' concepts as long as they make sense. This summary will show if the business plan has been as thoroughly thought out as the actual business. Have you made sure to include the capability of management, a clear idea of the market, a significant competitive advantage, and lastly that your financials are in line.

2. Analysis of Marketing and Opportunity

Target Market: The business plan needs to define a target market that is reachable and sizable. Market segmentation can be categorized into four types which include demographic, geographic, behavioral, and psychographic. Demographic will be covered in depth during this video and determine if you will be marketing towards a consumer or a business. When marketing towards either consumer or business you need to consider the different factors that make up that category.

Competitive Landscape: As you begin to consider the competition be sure to ask who are they, how do they compete with you, who are the major ones, how do you compare, who are future potential competitors, and what type of barriers have you set up to prevent other businesses from competing effectively.

Need and Opportunity: Some internal operational figures that must be planned out are the financial resources, marketing budget, how can economies of scale be used, operational efficiencies, how broad is the product line, strategic partnerships, and are your personnel/moral team supportive of the marketing plan.

3. Value Proposition

Compare what makes up your product to the customers' wants, needs and fears. As well as considering the possible substitute products that could negatively affect your market share.

4. Risk Analysis and Mitigation

No one wants the worst to happen but remember "If you fail to plan, you plan to fail." Use the risk analysis tool in order to discover, from least likely to most likely, which risks will occur in your business plan. The more frequent or larger impact risks are the ones your business needs to plan for. There are six different types of risk.

- 1.) Market Risks
- 2.) Competitive Risks
- 3.) Technological Risks
- 4.) Operational Risks
- 5.) Product Risks
- 6.) Legal Risks