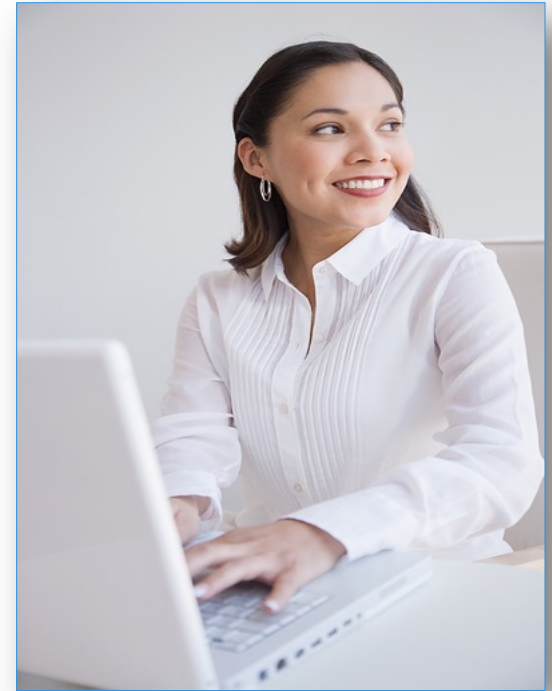


Business Development Essentials

SCORE Twin Cities

AGENDA

- Business planning basics & key considerations
- Knowing your business
- Making it legal
- Funding and finance
- Resources



THE IMPORTANCE OF A BUSINESS PLAN

- Encourages an objective view
- Becomes foundation for planning
- Powerful management tool
- Communicates:
 - Your ideas and dreams
 - What, when where and how you'll reach those dreams
- The planning process:
 - Makes us consider, evaluate and think
 - Identify opportunities and risks
 - Anticipate problems
 - Develop contingencies



BUSINESS PLAN OUTLINE

- Table of contents
- Executive summary – mission & vision
- Products and services
- Market opportunity assessment
- Competitive assessment
- Core brand ID and go to market strategy
- Specific tactical marketing & sales plan
- Operational plan
- Management team
- Personnel
- Financial goals & projections
- Summary
- Supporting documentation

SCORE:

- [SCORE MN Client Resource Guide](#)
- [SBA & SCORE MN Checklist for Starting a Business](#)
- [IRS Starting a Business & Keeping Records](#)


SBA:

- [Business Plan Guide](#)
- [Ascent Learning Program for Women](#)



SOME KEY RESOURCES WHEN STARTING A BUSINESS

SCORE Minnesota Client Resource Guide

Start-up Guides 

[SBA & SCORE MN Checklist for Starting a Business](#)

[IRS Starting a Business and Keeping Records](#)

[Business Essentials Workshop](#)

[Top Resources on SCORE.org](#)

[Steps to Forming a Nonprofit](#)

[Deluxe Start-up Fundamentals](#)

These on-line references provide some good primary guidance to starting a business in your locale here in Minnesota or Western Wisconsin.

[Minneapolis](#) [St. Paul](#) [Pierce County, WI](#)


[St. Cloud](#) [Duluth](#) [Rochester](#)

[Brainerd](#) [Mankato](#) [Burnsville](#)


[Alexandria](#) [Hutchinson](#) [Minnesota DEED Small Business Guide](#)

Business Publications you'll find useful:

[Small Business Trends](#) [Entrepreneur Magazine](#)

SCORE 

SCORE Minnesota Client Resource Guide

Business Planning 

The Startup Roadmap is a free on-line 12 step business plan learning experience and resource library you'll truly enjoy using.

The SBA Business Guide provides a good step by step business planning process with example plans and templates.

The Ascent Learning Platform is a terrific SBA site packed with in-depth resources for women entrepreneurs.

LivePlan is an on-line app for generating a business plan that's consistent and professional. Special rate available.

The Business Model Canvas focuses on simplifying and summarizing the nine most important elements of your plan.


[SCORE Startup Roadmap](#)

[SBA Business Planning Guide](#)

[Ascent Learning Platform for Women Entrepreneurs](#)

[LivePlan Overview](#)

[Business Model Canvas](#)

SCORE 

CRITICAL SUCCESS FACTORS

- Clear concept of your business and the market(s) to be served
- Clear financial goals and objectives
- Clear plan to achieving your goals
- Adequate capital
- Ability to manage and multi-task
- Experience in field and a strong work ethic
- Effective time management
- Willingness to ask for input from others



KEY DECISIONS – STRUCTURAL

- **Business Idea and Conceptualization:** Choose a business idea that aligns with your passions, skills, market demand, and potential for profitability. Conduct market research to validate the viability of your concept.
- **Business Plan Development:** Create a comprehensive business plan outlining your goals, target market, marketing strategy, operational plan, financial projections, and more.
- **Financial goals and projections:** Identify and articulate your financial goals including five year profit and loss projections.
- **Marketing and Sales Strategy:** Develop a comprehensive marketing and sales strategy to attract customers and generate revenue. Utilize a mix of online and offline marketing tactics, such as social media, email marketing, advertising, networking, and sales promotions.
- **Funding and Financing:** Determine how you'll finance your business operations, whether through personal savings, loans, investment from partners, or other sources. Capital needed to launch and sustain your business until it becomes profitable.
- **Legal Structure:** Decide on the legal structure of your business, such as sole proprietorship, partnership, limited liability company (LLC), or corporation. Each structure has its own legal and tax implications.

KEY DECISIONS – STRUCTURAL

- **Business Name and Branding:** Select a memorable and unique name for your business that reflects your brand identity. Ensure the chosen name is available for registration and doesn't infringe on existing trademarks.
- **Location and Facilities:** Choose a suitable location for your business, whether it's a physical storefront, office space, or online platform. Consider factors such as foot traffic, accessibility, competition, and lease terms.
- **Technology and Infrastructure:** Invest in the necessary technology and infrastructure to support your business operations efficiently. This may include hardware, software, communication systems, website development, and cybersecurity measures.
- **Human Resources and Talent Acquisition:** Determine your staffing needs and develop a plan for recruiting, hiring, and training employees or contractors. Invest in building a strong team that shares your vision and can contribute to the firm's success.
- **Regulatory Compliance and Licensing:** Understand the regulatory requirements and obtain necessary permits, licenses, and certifications to legally operate your business.

KEY DECISIONS – OPERATIONAL

- **Supply Chain Management:** Develop a robust supply chain strategy to ensure timely sourcing, procurement, and delivery of raw materials or products. Establish relationships with reliable suppliers and optimize inventory management to minimize costs and maintain adequate stock levels.
- **Production Process:** Determine the most efficient production process for your goods or services. This includes workflow design, quality control measures, production scheduling, and optimizing resource utilization to maximize productivity and minimize waste.
- **Inventory Management:** Implement inventory management systems and procedures to track stock levels, monitor demand trends, and avoid stockouts or overstock situations and utilize inventory forecasting techniques.
- **Quality Control and Assurance:** Establish quality control standards and procedures to ensure that your products or services meet customer expectations. Implement quality assurance measures throughout the production process to identify and address any defects or issues promptly.
- **Customer Service and Support:** Develop a customer service strategy focused on providing exceptional support and resolving customer inquiries or issues promptly. Invest in training your staff to deliver excellent customer service and leverage technology to streamline communication channels.

KEY DECISIONS – OPERATIONAL

- **Management Tools:** Invest in operations management tools and software to streamline and automate various operational tasks, such as project management, scheduling, inventory tracking, and resource allocation. These tools can help improve efficiency, reduce errors, and enhance decision-making capabilities.
- **Facilities Management:** Ensure that your business facilities are well-maintained, safe, and conducive to productivity. Develop procedures for facilities management, including maintenance schedules, safety protocols, and emergency response plans.
- **Information Technology (IT) Infrastructure:** Invest in an IT infrastructure that supports your business operations and facilitates communication, collaboration, and data management. This includes hardware, software, network infrastructure, cybersecurity measures, and data backup systems.
- **Risk Management:** Identify potential risks and develop risk management strategies to mitigate their impact on your business operations. This may include insurance coverage, contingency planning, disaster recovery plans, and compliance with regulatory requirements.
- **Continuous Improvement:** Establish a culture of continuous improvement within your organization, where employees are encouraged to identify inefficiencies, propose solutions, and implement process improvements. Regularly review and evaluate your operational processes to identify areas for optimization and innovation.

Know Your Business



MARKET POSITIONING

- Self Assessment
- Product or service mix
- Target customers
- Competitive Assessment
- Distribution Channels
- Pricing Strategy
- Brand Messaging
- Go To Market Strategy



PRODUCT AND / OR SERVICE

Self Assessment

How would you describe your business focus, product offering, features & benefits and unique differential advantage?

- Who needs it?
- Why do they need it?
- How is it different or better than the competition?

Product or Service Description

Business Name	
Product or Service Description	
Key Features	
Benefits	
Use Cases	
Target Audience	
Value Proposition	
Competitive Advantages	

TARGET MARKET ASSESSMENT

How would you describe your ideal customers.

What are the characteristics of that customer that will help you better understand their needs and where you can address those needs.

Check out [“Create Your Client Avatar”](#) for some great content on identifying your ideal client.

Check out the Market Research section of the SCORE MN Client Resource Guide

Target Market Assessment

Use the below to characterize the specific markets you think your products or services are suited for then populate the elements related to each. This will help narrow your focus on the top one or two markets best suited for your efforts.

	Target Market 1	Target Market 2	Target Market 3	Target Market 4
Market Needs				
Demographics				
Psychographics				
Market Trends and Forecast				
Market Size and Segmentation				
Preferred Distribution Channel				
Regulatory and Legal Considerations				
Customer Surveys or Market Testing				

COMPETITION

Analyze your competitors to get a clear sense of where you have competitive advantage or disadvantage.

- Product & service offerings
- Price and quality
- Customers served
- Market strategy
- Distribution channels
- Strengths & weaknesses
- Customer feedback (Google my business, Yelp, Angi...)
- Financial strength

Check out the Market Research section of the SCORE MN Client Resource Guide

Competitive Assessment

Rate each characteristic for your business and for your competitors. With the chart below, identify the key elements of your top three competitors as it compares to your product / service offering. The next step is to identify where you have competitive advantages or disadvantages that need to be addressed.

	My Business	Competitor 1	Competitor 2	Competitor 3
Product & Service Offering				
Pricing				
Customer Base				
Market Strategy				
Distribution Channels				
Strengths & Weaknesses				
Customer Feedback				
Financial Strength				

DISTRIBUTION CHANNELS

Understand how and where your customer buys:

- Ease of entry
- Geographic proximity
- Costs per channel
- Competitor strategies
- Specific management experience required
- Staffing needs
- Specific marketing needs per channel

Distribution Channel Assessment

	Distribution Channel: Direct (e-commerce, 1:1 In-person, blended?)	Distribution Channel: Distributor	Distribution Channel: Dealer
Ease of Entry			
Geographic Proximity			
Costs			
Competitors' Positions			
Management Experience			
Staffing Capabilities			
Marketing Needs			

How Are You Pricing?

- Costs
- Competitive pricing
- Average market price
- Value perception
- Price sensitivity
- Impact of promotions & discounts
- Long term goals
- Any regulatory issues
- Any currency or exchange rate impacts

Check out <https://www.pricinginnovations.com> for useful information to evaluating and structuring your pricing models.

Pricing Strategy

Review the elements below then determine how you'll approach the question of pricing for your goods or services.

Costs	
Competitor Pricing	
Average Market Price	
Value Perception	
Price Sensitivity	
Promotions & Discounts	
Long Term Goals	
Regulatory & Legal	
Currency & Exchange Rates	

BRAND MESSAGING

Is Your Brand Clear?

Branding is a core element to your marketing strategy. Branding is the image, logo and market positioning of your company, product or service.

- Understand your target market
- Identify & articulate your unique selling proposition
- Target audience & messaging
- Brand promise
- Specific competitive advantages
- Your unique selling proposition

See [SCORE Minnesota Client Resource Guide](#) “Marketing Resources” and, “[Marketing Basics Workshop](#).”

Brand Messaging

Identify how you would best describe your business based on what you know about yourself, your customer, your competition, what are your areas of differentiation and how would you articulate this into a single message or “voice?”

Business Name	
Unique Value Proposition	
Target Audience	
Brand Promise	
Competitive Advantages	
Unique Selling Proposition	

GO TO MARKET STRATEGY

What marketing, sales and operational plans are needed to support your financial goals.

- Establish your financial objectives – revenue and profits over a 12, 24 and 36 month timeframe. Reference [36 Month Profit Projection Worksheets](#)
- Second, identify the marketing and sales plan that will support your objectives
- Marketing plan – the tactical efforts to be implemented to establish brand identity and reach prospective markets. Reference [Marketing Calendars & Schedules](#)
- Sales plan – your tactical sales plan should support your annual, monthly, and weekly sales goals with specific outreach and follow up efforts in place. Reference Template Lab resources – [32 Sales Plan & Sales Strategy Templates](#).

Go To Market Strategy

Goals	Specific, measurable objectives to accomplish in an established time period.
Target Market	Specific segments with similar needs or interests, motivations, demographics, locations, etc.
Strategies	Strategies to attract the specific people or organizations you're trying to reach with a compelling offer that meets their interests / needs.
Tactics & Messaging	Tools or channels you'll use to reach your targets. What's unique about your story / product / service that connects with your target market. What messaging will be most
Calendar	Specify which activities you will do daily, weekly, monthly, or quarterly to achieve your goals. What time of day or day of week is most effective for each activity?
Measurement	How will you track results? How will you compare the effectiveness of each tactic? How will you calculate the time / money / # of contacts it takes to attract/retain each customer?

GO TO MARKET STRATEGY

Website

Informational, promotional, instructive, e-commerce, links to other resources including social media links. Don't forget SEO tactics and leverage of Google Ads

Telemarketing and ongoing client nurturing

Telephone

On-line Sales

Amazon, Facebook and others.

Targeted audience engagement

Conferences & Events

Social Media

Platform based on audience with specific goals identified per platform.

Business cards, sell sheets, brochures, promotional content

Printed Collateral

Target Audience

Service Directories

Angie, Home Advisor, Yelp, etc...

Radio, TV advertising, infomercials, personal profiles

Broadcast

Podcasts & Webinars

Informational, learning and news

Press release, advertising, informational content, personal profiles

News Outlets

Email Marketing

Newsletters, promotions

Direct Mail

Directed promotional content or general interest

Making it Legal



BUSINESS STRUCTURE – CONSIDERATIONS

Legal and Tax Implications: Different business structures have varying tax obligations and legal liabilities. Consider how each structure will affect your personal liability, tax obligations, and reporting requirements.

Ownership and Control: Think about how much control and ownership you want to maintain over your business. Some structures offer more autonomy and flexibility, while others involve shared decision-making and ownership with partners or shareholders.

Liability Protection: Assess the level of personal liability protection each structure provides. For example, forming a corporation or limited liability company (LLC) can help shield your personal assets.

Cost and Complexity: Evaluate the costs and administrative requirements associated with each business structure. Some may involve more paperwork, fees, and regulatory compliance than others.

Future Growth and Exit Strategy: Consider your long-term goals for the business and how each structure aligns with your growth plans and exit strategy.

- [SCORE MN Client Resource Guide – Legal Resources](#)
- [IRS Publ 583 – Starting a Business & Keeping Records](#)
- [LegalCorps Resources for Small Business](#)
- [FindLaw Business Start-up Checklist](#)
- [Choosing the Right Business Structure](#) workshop

BUSINESS STRUCTURES

	Advantages	Disadvantages
Sole Proprietorship	<ul style="list-style-type: none"> • Owner sole manager • Taxed as individual 	<ul style="list-style-type: none"> • Owner has unlimited liability • Start up capital difficult • May dissolve when owner dies
Partnership	<ul style="list-style-type: none"> • Shared management responsibilities • Income taxed at partner level 	<ul style="list-style-type: none"> • Unlimited liability for each partner • Needs extensive partnership agreement
Limited Liability Company (LLC)	<ul style="list-style-type: none"> • Protection for owners • Easy to form • Fewer rules than corporations 	<ul style="list-style-type: none"> • If partner, need agreement • Restrictions on ownership and transfer
"C" Corporation (Conventional)	<ul style="list-style-type: none"> • Stock shares, • Limits liability • Continues until dissolved 	<ul style="list-style-type: none"> • Expensive to form and maintain • More extensive legal requirements
"S" Corporation (Sub-chapter)	<ul style="list-style-type: none"> • Profits only taxed at shareholder level • Limited liability 	<ul style="list-style-type: none"> • Limited to 100 shareholders and other restrictions

INSURANCE CONSIDERATIONS

- Property
- Liability
- Motor Vehicles
- Umbrella Liability
- Worker's Compensation
- Health
- Life
- Business Interruption



See workshop: [Insurance Options for Small Business](#)

REGULATIONS

- Business Licenses and Approvals
- Labor Laws
- Immigration Laws
- IRS and Social Security Withholding & Payments



See SCORE Minnesota Client Resource Guide – Start-up Guides section

- SBA & SCORE Checklist for Starting a business
- IRS Starting a Business and Keeping Records; Publication 583
- On-line guides to doing business in multiple communities in MN & WI

Funding & Cash Management



STARTUP CONSIDERATIONS

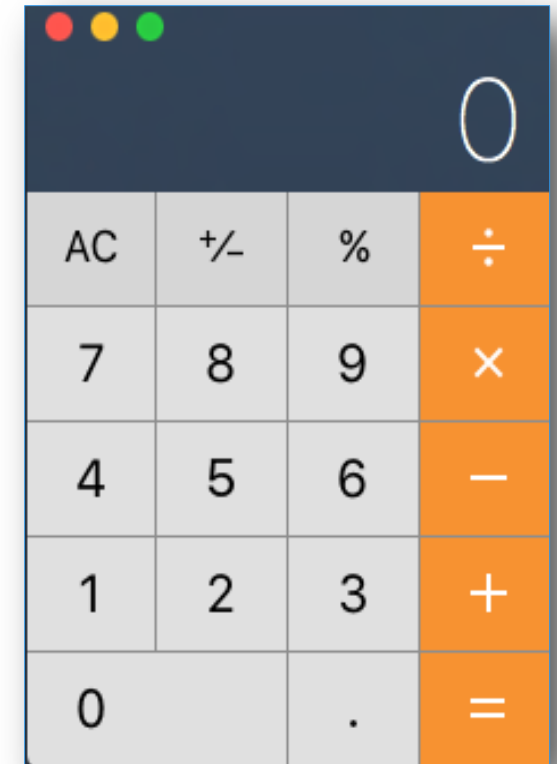
- 12 months + of personal cash requirements
- Business start-up costs
- 12 months + operating expenses
- Short, mid and long term financial goals
- Exit plan?



STARTUP CASH NEEDS

Essential Considerations:

- Marketing costs
- Tools and equipment
- Leasehold improvements
- Licenses and permits
- Professional fees
- Initial inventory
- Working capital reserve fund



OPERATING CASH NEEDS

- Salaries
- Rent
- Insurance
- Taxes and fees
- Marketing
- Loan interest & principal
- Utilities
- Maintenance
- Professional fees
- Supplies



SOURCES OF CAPITAL

Equity

Signifies Ownership

- Personal savings
- Family and friends
- Partners' contributions
- Profits retained in the business

Debt

Does NOT Signify Ownership

- Banks and credit unions
- Community Express Micro Loans
- Credit cards (not recommended)

See workshops: [Know Your Numbers](#) and [Where's the Money](#)

LENDERS VIEW

- Character
- Capacity
- Capital
- Collateral
- Conditions
- Industry knowledge
- Financial history
- Financial projections
- Management skills
- Competition



See: [Investopedia 5 C's of Credit](#) and workshop [Credit & Credit Reports for Small Business](#)

CASH: YOUR MOST IMPORTANT ASSET

- Open a separate bank account for your business
- Retain all receipts
- Use a petty cash fund
- Separate sales tax receipts on your books
- Hang on to cash as long as possible
- Reconcile bank account monthly
- Have adequate cash and a reserve fund at the start of the business
- Prepare and maintain a cash forecast for at least six months into the future



See Client Resource Guide – Finance Resources:

- Glossary of Financial Terms
- Simple One Year P&L Template
- SBA Funding Resources
- Guide to Financing

BOOKKEEPING OPTIONS

- [QuickBooks](#)
- [Xero](#)
- [FreshBooks](#)
- [Wave Accounting](#)
- [Zoho Books](#)
- [Sage Business Cloud Accounting](#)
- [QuickFile](#)
- [Kashoo](#)

Before selecting a bookkeeping tool, consider conducting a thorough evaluation of each option to determine which one best meets your business's needs in terms of features, ease of use, scalability, pricing, and integration capabilities.

Additionally, you may want to consult with your accountant or financial advisor for recommendations tailored to your specific business requirements.

KEY DECISIONS – FINANCIAL

- **Capital Structure:** Determine the optimal mix of debt and equity financing to fund your business operations. Assess your capital requirements and evaluate the pros and cons of various financing options, such as loans, lines of credit, equity investment, or bootstrapping.
- **Budgeting and Financial Planning:** Develop a comprehensive budget and financial plan that outlines your revenue projections, expenses, and cash flow forecasts. Monitor your actual financial performance against budgeted targets regularly and adjust your plans accordingly.
- **Cash Flow Management:** Implement cash flow management strategies to ensure that your business has sufficient liquidity to meet its short-term obligations. Monitor your cash flow cycle, manage accounts receivable and accounts payable effectively, and maintain adequate cash reserves for emergencies.
- **Financial Reporting and Analysis:** Establish robust financial reporting systems and procedures to track and analyze key financial metrics and performance indicators. Generate timely and accurate financial statements, such as income statements, balance sheets, and cash flow statements, to inform decision-making and provide insights into your business's financial health.
- **Tax Planning and Compliance:** Develop a tax planning strategy to minimize your business's tax liabilities while ensuring compliance with applicable tax laws and regulations. Stay informed about changes in tax legislation that may affect your business and seek advice from tax professionals as needed.

KEY DECISIONS – FINANCIAL

- **Capital Investment Decisions:** Evaluate potential capital investment opportunities, such as purchasing equipment, expanding facilities, or launching new product lines. Conduct cost-benefit analyses and consider factors such as return on investment (ROI), payback period, and risk exposure before making investment decisions.
- **Credit Management:** Manage your business's credit effectively by establishing clear credit policies, conducting credit checks on customers, and monitoring payment trends. Implement strategies to minimize bad debt and late payments, such as offering discounts for early payment or incentivizing prompt payment.
- **Risk Management and Insurance:** Identify and assess potential financial risks facing your business, such as market risk, credit risk, or operational risk. Develop risk management strategies to mitigate these risks, including purchasing appropriate insurance coverage and implementing internal controls and safeguards.
- **Working Capital Management:** Optimize your working capital management to ensure that your business maintains sufficient liquidity to support its day-to-day operations. Manage your inventory levels, accounts receivable, and accounts payable effectively to minimize the need for external financing and maximize cash flow efficiency.
- **Exit Strategy:** Develop an exit strategy outlining how you plan to exit or transition out of your business in the future. Consider options such as selling the business, passing it on to family members or employees, or liquidating assets. Plan ahead to maximize value and ensure a smooth transition.

Business Development Resources



SCORE Minnesota Client Resource Guide

SCORE Twin Cities



Local Workshops



Business Library



Start-up Guides



Market Research



Business Planning



Marketing Resources



Finance Resources



Legal Resources



This guide is designed for the private use of SCORE clients, partners and business communities served by SCORE – Vers. 9.0

Read Me

This is a quick reference to a range of templates and business development resources available to our clients as they navigate starting or building their business. Use the Adobe Acrobat or Reader application for the best experience with this interactive PDF. To download the free Adobe Reader, click [HERE](#). For a quick review on how to navigate this guide, click on the **Read Me** button on the left.

Credits



BUSINESS DEVELOPMENT RESOURCES

SBA U.S. Small Business Administration

Translate SBA en Español For Partners Newsroom Contact Us

[Business Guide](#) [Funding Programs](#) [Federal Contracting](#) [Learning Platform](#) [Local Assistance](#) [About SBA](#)

Plan your business

You've got a great idea. Now, make a plan to turn it into a great business.

Start your business in 10 steps

[SEE THE GUIDE](#)

Launch your business

Turn your business into a reality. Register, file, and start doing business.

Manage your business

Run your business like a boss. Master day-to-day operations and prepare for success.

Grow your business

When business is good, it's time to expand. Find new funding, locations, and customers.

BUSINESS DEVELOPMENT RESOURCES

SBA U.S. Small Business Administration

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[Business Guide](#) Funding Programs Federal Contracting Learning Platform Local Assistance About SBA

Plan your business	Launch your business	Manage your business	Grow your business
Market research and competitive analysis	Pick your business location	Manage your finances	Get more funding
Write your business plan	Choose a business structure	Hire and manage employees	Expand to new locations
Calculate your startup costs	Choose your business name	Pay taxes	Merge and acquire businesses
Establish business credit	Register your business	Stay legally compliant	Become a federal contractor
Fund your business	Get federal and state tax ID numbers	Buy assets and equipment	Export products
Buy an existing business or franchise	Apply for licenses and permits	Marketing and sales	Women-owned businesses
	Open a business bank account	Strengthen your cybersecurity	Native American-owned businesses
	Get business insurance	Prepare for emergencies	Veteran-owned businesses
		Recover from disasters	LGBT-owned businesses
		Close or sell your business	Rural businesses
		Hire employees with disabilities	Minority-owned businesses

Start your business in 10 steps

[SEE THE GUIDE](#)

Additional 2023 SBA Small Business Resources:

[Starting Your Business Journey](#)

[2023 Business Trends](#)

[SBA Learning Platform](#)



ASCENT
elevate your business

A free learning platform for women entrepreneurs

[Start Learning](#)



More about Ascent

Women own or co-own 45% of all businesses in the United States. These businesses represent all types of industries and are owned by all types of women. The majority are small, with great potential for growth in both revenues and job creation. That's why we created Ascent and packed it with in-depth information to help you grow your business.

SUPPORT NETWORK



Banker



Marketing



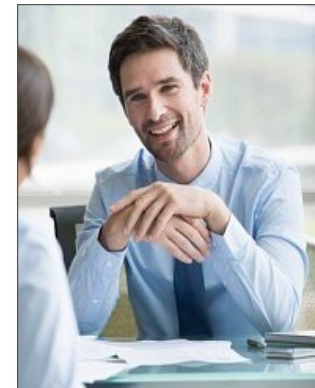
Accountant



Lawyer



SCORE Mentor



Insurance Agent

Thank you!

For some of the richest business development tools anywhere, [click here](#)
To view a recording of this workshop and download the resources presented, click [here](#).
Be sure to also check out the Top SCORE Resources [here](#).

You'll be thrilled with the depth and passion of our volunteer business advisors,
the quality and range of business development tools available and
the scale of topics covered.

You won't find better value anywhere in the Twin Cities.

Thank you for the opportunity to continue serving
your business development needs!

Follow us on:



To request a mentor, [click here](#)