



# Starting a Business

## Sprague & Jackson

ACCOUNTANTS AND ENROLLED AGENTS

The Seneca Building • 121 E Seneca St • Ithaca, NY 14850

David W. Sprague, EA, ABA Principal  
Angie Jackson, EA, MSA Principal

Phone: (607) 273-5322

Fax: (607) 273-8138

Email: Admin@sprjac.com

### The Purpose of a Business Plan

A business plan is a written document created to detail all aspects of a business on a comprehensive level. Many banks and investors require a written business plan before lending to, or investing in, a business.

### Executive Summary

The executive summary is an overview of the entire plan. It should be written when all other sections of a business plan are complete and should be less than one page in length. The executive summary should include enough detail to allow a user to read the summary and gain a basic understanding of the business.

### Mission, Vision, and Description

- **Mission.** The mission statement should be less than 30 words and describe why a business exists, as well as its fundamental purpose at present.
- **Vision.** The vision statement defines the intended future state of an organization. It sets a high, long-term goal which is used to guide decisions of management and ownership.
- **Description.** The description section defines goals and objectives, business philosophy, target market, industry, and the legal entity under which the business will operate.

### Products and Services

Provide a detailed description of the products and services the business will offer. Include pricing, unique features, and the required level of quality. Create an appendix for any photos, technical specifications, drawings, or brochures.

### Marketing Plan

The marketing plan is developed by conducting (or having conducted) market research to define the clientele of a business and how to best market products and services.

**Sales forecast.** The sales forecast is the final element in a marketing plan. It forecasts over a 12-month period the quantities of each product or service expected to be sold. It is the base from which the financial plan will develop.

### Operational Plan

The operational plan details the day-to-day operations of a business. Items discussed in an operational plan should include issues such as location, licensing, personnel, inventory, suppliers, credit policies, and managing payables.

### Management and Organization

- **Key employees.** A key employee is a person or persons who will manage the business on a daily basis. Include in the list the key employees' talent, experience, and distinctive competencies brought to the business. Incorporate job descriptions of key employees, as well as resumes of the owners and key employees if using a business plan to seek financing.
- **Management continuation plan.** Management continuation planning involves determining how a business will continue should one or more of the key employees be lost or become unable to fulfill his or her duties. The plan should specify the exact procedures for transferring duties when required, including arrangements with vendors, banks, employees, and owners.