Embroidery Business Plan Workshop Class 4

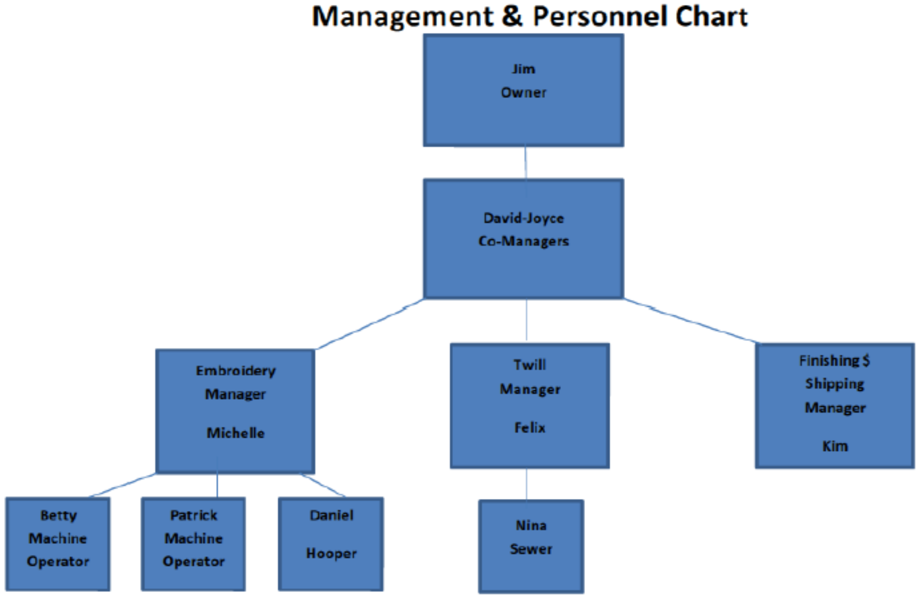
In our last segment I showed you how to create your Projections in each area of your business and then how to create your Monthly Projections, your Sales Forecast and the Cash Flow Statement.

In this segment I am going to go **over** the Business Plan template with you, talk about how to create your **Executive Summary** and then I will show you how to put it all together into your finished document.

I have added a lot of notes all the way through the template to make it easier for you to plug in the information that you are going to need.

I also added a **Flow Chart** that I created in **"Microsoft Office 10"**. I do not know if you have this capability in other versions of Office or not. You could also create one in an artwork program. If you do not have either, you can draw one out on a piece of paper and use that. They will also work. The important thing is to have one that will show your hierarchy of management and employees. I combined the one that I made. Instead of creating 2 of them because it was a small business, I combined them into one chart.

Management & Personnel Chart



If this is a large embroidery business, you would create one for management and one for the rest of the employees. If it is a one person shop you will want to create one that will show you as the owner and the positions with titles that you plan to fill as you grow.

Financial Statements

If you have had any issues preparing your Financial statements, make sure that you contact your accountant and have him or her help you create these statements. You want them to be as accurate as possible.

Executive Summary

The Executive Summary is a brief story of the most important points and the first section of your business plan. It is much easier to write the summary after you have everything else in your plan finished. This is a simple one to two-page document that explains the basics of the business. You can use bullet points for most of this area.
Keep it as brief as possible. This is extremely important.
Bankers will go through the summary first and if they are happy with it and the organization of it, they may not go any further. They may call you in for a meeting and have you explain your plans rather than them spending the time to go through it thoroughly. If they are not happy with it, they definitely will not go any further. You will just be denied.
Use bullet points to explain:

- Who you are?
- Who owns the business?
- What are your products?
- Who are your customers?
- The future plans for both you and the business.

When applying for a loan explain exactly how much money you are requesting, what you will use it for and how it will be repaid with company profits.

If you are looking for an investment partner, in addition to the above, explain what the partner's role will be in the business, the percentage of ownership and the estimated return on investment.

Keep it simple, easy to read, concise, well written and complete. Avoid any contractions or slang words. Keep your sentences short.

Place your **Executive Summary** before the first section of your plan.

Putting It All Together

After you are finished and have all of your total pieces of the plan template filled, make sure that you remove all of the red notes that I have created for you and add your business name to the top of the first section.

Purchase a good 3 ring binder and have section dividers in it for each section. This will make it much easier to go through the proper section as you are reviewing your plan. If you are taking your business plan to the bank or to an investor this is equally important. Make a duplicate of your business plan for the banker or investor.

I have found that the bankers and investors would rather see your finished business plan in a 3-ring binder rather than a spiral bound report folder. This gives them the opportunity to remove the pages if they need to for an easy review process. Use a binder that has the see-through opening in the front.

Create a front cover that has your name, business name and address, your contact information, your logo and the words Business Plan printed on it. Add your name and the words Business Plan to the spine of the binder as well to make viewing easy.

You can forego the dividers for the copy to the Bank & Investors if you prefer. I would find out from them, which way they want it, but you definitely want the dividers inside of your copy. This makes it so much easier & quicker to use.

Creating You Appendix

List all of the attachments that you will have in this section. Give each attachment a number and attach them in the binder according to the numbered list. These numbers are usually Roman numerals.

i. Legal Form of Ownership
ii. Resume of Business Owner
iii. Management and Organization Flow Chart
iv. Personnel Flow Chart (if applicable)
v. Income Statement
vi. Balance Sheet

vii. Cash Flow Projections for 12 Months

viii. Cash Flow Projections for Year 2
ix. Cash Flow Projections for Year 3
x. Break Even Analysis
xi. Projected Balance Sheet
xii. Personal Tax Returns or Corporate Tax Returns for 3 years (if going to the bank or other lending sources, you may be required to have both)

Update the Table of Contents.

Attach copies of all of your legal documents in this **Appendix** section. This may sound very elementary, but it is very important to make sure that they are attached.

Working With An Investor

Now I want to talk to you about working with investors. Working with an investor is like being married to another person. You must be able to get along with them very well and be able to interact with them on a daily, weekly or monthly basis.
Many of them will want to be a hands-on investor to make sure that you are doing whatever you can right in order for them to be able to recoup their investment.

Before you decide on the particular person or Investment Company, you want to make sure that they understand where you are going with your company and you must find out exactly what it is that they are expecting out of this investment.

Your business plan must be very thorough, it must be finished, and all of your information must have been researched carefully and be correct. They want to know that this venture is going to succeed without any doubt.

Your investor must believe in your area of business and must be excited about the possibility of the future with this business.

You must be willing to change your business plan if things are not working out the way that you have projected them to in your plan. The investor will be very persistent and insistent that you make the changes and you must be willing to go along with whatever suggestions they are making.

Investors are in this for one reason and one reason only, that is to make

money. Make sure that you are willing to bend and make any changes within your company that the investors want you to make or **do not sign on the dotted line.** If it does not work out, you will be sorry!

Using Your Business Plan

As we have talked about many times over the past few weeks, this is not a business plan that you are going to stuff in a drawer. This is a business plan that you are going to use. At least every 30 days take out your plan and go over it to make sure that you are still on track. The perfect time to review your plan is after you have finished your monthly accounting.

You can make adjustments and see exactly what progress you have made. You can compare your actual sales and profit to your Sales Forecast and see how close you are to staying on your target. If you are not on target you need to access your situation and find out why. Maybe you overestimated in the very beginning. You must keep a close eye on your numbers. I cannot emphasize that enough.

I know that this has been a lot of work, but after you are finished you will feel like a load has been lifted off of our shoulders. It gives you such a feeling of accomplishment and freedom knowing that you have an actual business guide!

I hope that this course has really helped you to learn how valuable it is to be constantly planning in your business. Creating a business plan or a road map must be a priority!
Once done, running your business will be easier and you will have the tools to make better decisions for your business!

If you have received a lot of value from this course would you please send me a testimonial saying how it has helped you? Please also include a picture. I would like to put these on Pinterest and on my webpage. This will also help you to get exposure in your business.

Thank you for trusting in me with this very important information to help build your business,

Joyce Jagger
The Embroidery Coach
TheEmbroideryCoach.com