

SMALL BUSINESS CENTER

HOW TO START A BUSINESS



SBCN
Small Business Center Network
North Carolina Community College System

SEMINARS / FREE COUNSELING / RESOURCE LIBRARY

CONTACT THE SBC FOR INFO ABOUT SEMINARS & FREE COUNSELING:

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What is the SBCN?

The Small Business Center Network, comprised of 58 Small Business Centers throughout North Carolina, supports the development of new business and the growth of existing businesses by being a community-based provider of training, counseling and resource information. A Small Business Center is located at your nearby community college.

The Mission of the SBCN

The objective of the Small Business Center Network (SBCN) is to increase the success rate and the number of viable small businesses in North Carolina by providing high quality, readily accessible assistance to prospective and existing small business owners and their employees. Each Small Business Center (SBC) is a community-based provider of education and training, counseling, information and referral.

The Vision

The vision of the North Carolina Small Business Center Network is to foster and support entrepreneurship, small business training and economic development in local communities.

Business Seminars and Workshops

Small Business Centers offer a wide variety of seminars, workshops and courses to help businesses be successful and they can design specific training for individual business needs.

Confidential Business Counseling

Small Business Centers provide free, confidential counseling services for new and existing businesses. Available on an as needed basis, this free, confidential service acts as a sounding board for ideas and concerns you may have about your business. Our professional staff will help you find solutions to your challenging business questions. No question is too simple or complicated.

SBCN Resource Centers

Each Small Business Center has a library of professional resources waiting to be tapped. Printed materials including books, pamphlets, magazines, trade journals, as well as, a wide variety of tapes and videos are available for your use. Some Centers offer business-related software, teleconferencing and access to the Internet.

The Cost of SBCN Services

Confidential counseling services and access to resource libraries are free of charge. Some seminars and workshops require a minimal registration fee.

Why You Need A Business Plan

For any business, the first step is to turn the would-be owner's basic idea into a written viable plan of action. Every business begins with an idea for either a product to be manufactured or sold, or a service. This idea must be transformed from a vision to a working plan.

Your business plan must first, convince you that your business will work "on paper". It can then be used to convince others that it will work. With it, you can apply for a loan and the plan can subsequently serve as a road map for your business success. The goals you set in this plan will serve as a model for performance. Your neat, well-prepared business plan should show that you are a professional; any one who reads it will know that you will succeed!

I. Executive Summary

In this section give a brief overview of the entire operation and the service or product to be sold. Identify your market, the management structure and a brief synopsis of planned operations. Summarize your overall financial projection; be brief and concise. This paragraph will set the tone for your entire project.

II. Business Description

In this part of your plan you should describe the history of this business as it relates to the general industry. You should include short term and long range goals and strategies for achieving those goals.

1. What is the history of your business?
2. Describe the type of industry in general.
3. What are the outlook and projections for your business?
4. State your goals and strategies for achieving them.
5. Is this business risky? How would you reduce the risk?
6. How will your business succeed in its particular setting?

III. Product or Service

Describe your product or service in terms that an "outsider" can understand. Include the uses and uniqueness of the product or service.

1. What exactly is your product or service?
2. What market niche will it fill?
3. How does this product or service differ from others currently available?
4. Does your product or service meet patent laws and licensing laws and does it meet state and local regulations?
5. Why will your customers buy your product or service?

IV. Marketing Plan

Describe how you plan to market your product or service. Talk about how you plan to advertise. What will your public relations strategy be? Include information about competitive pricing and your sales plan. Provide sales forecasts for several years.

1. Who are your potential customers – include names and locations.
2. How will you tap into the current market?
3. Explain your sales strategy – sales force and distributors.
4. How do you plan to advertise; discuss your advertising budget.
5. Identify the market niche you intend to capture and how you plan to do that!

V. Marketing Research and Analysis

In this section of the plan, you will describe the general state of the industry you are entering, any trends in the industry and what the future potential of the industry is. You will also identify and describe your target market and analyze the competition.

1. What geographic market will you serve? Tell why you chose a particular location.
2. Who will you sell your products and services to? Provide a profile of your targeted customer.
3. Who are your competitors? Detail the differences between their products and services and yours. What are their strengths and weaknesses?
4. What portion of the market share does each competitor hold?
5. Describe your competitive advantage. How will you differentiate your products/services, in order to remain competitive? (price, quality, range of products and services, innovativeness etc.)
6. Estimate what portion of the market share you can obtain.

VI. Operational Plan

In this part of the plan, include the total operational details for your business.

1. Will you purchase products for resale, purchase parts and assemble, manufacture? Define your general manufacturing operations, including the processes used to create your products and/or services.
2. Create a list of raw materials sources/ inventory sources. Provide a list of vendors and suppliers.
3. Describe what special equipment will be needed, what it will cost and where it will be obtained.
4. Will you operate in your home, leased space or will you purchase a building? Detail the costs involved.
5. How will you maintain and provide security for your equipment and facility?

6. Describe your plan for staffing your business, including how many employees will be needed and how they will be recruited and selected. How will you train new employees? What will it cost to pay employee wages and fringe benefits?
7. Describe your policies for extending and receiving credit?
8. What warranties will be extended? What are your sales and service policies?

VII. Management Plan

In this section describe the legal structure of the business and who will lead and manage the business.

1. Will you operate as a sole proprietor, partnership, and corporation?
2. Who are the owners and managers? What relevant experience do they bring to the business? Provide resumes for key leaders and managers
3. How will owners and managers be compensated?
4. Provide an organizational chart for your business.
5. Have you selected a team of professional advisors, attorney, CPA, lender?
6. Who will handle the bookkeeping and tax preparation?

VIII. Financial Plan

In this section of the plan you will provide financial documents to support your plan and provide a realistic picture of the financial future of your business. Include a summary of the funds needed to start the business, sources and uses of funds, payment terms and collateral available to secure the loan.

1. Provide a list of start-up expenses for the business.
2. Provide personal financial statements of the owners.
3. Include a statement of the Sources of Capital
4. Provide Sales Projections for three years.
5. Provide projected cash flow statements for three years.
6. Provide projected profit and loss statements for three years.
7. Provide an "opening day" balance sheet.

IX. Appendix

The appendix will include any supporting documents for your business plan.

1. Resumes
2. Lease agreement
3. Store or plant layout
4. Capital Equipment list
5. Maps showing business location and market information
6. Photos of products, equipment, etc.
7. Supporting charts and graphs
8. Relevant articles to support industry trends
9. Legal agreements such as patents, trademarks, copyrights, license to manufacture, etc.