

# 10 Tips For Writing A Business Plan

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What Startups  
Need to Know.

# About the Author:

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As COO of Tarkenton Companies for more than 20 years, Rick has been responsible for business software development, unique partnerships, business educational content and consulting, and more. Prior to

- • • joining Tarkenton Companies, Rick owned and operated a private practice as a CPA. Prior to that, he was a Senior Manager at Pannell Kerr Forster in tax and audit, as well as Principal in Ernst & Young's small business advisory group.

# Do You Need to Write a Business Plan?

There are several situations in which it's advisable to build a business plan:

- If you are searching for investors for a new business
  - Investors are interested in your business's profit potential
- If you are seeking additional funding for an existing business
  - Lenders need to assess your ability to repay a loan
- If you are applying for a loan guarantee through the SBA
  - It's a required part of their process
- If you will need to present your ideas or business concept to others
  - So you can clearly articulate and present your vision.
- You need a plan to use as a guide as you run your business.
  - It's important not to forget one of the most important reasons for building a plan

## Business Plan – Essential Components

There are several situations in which it's advisable to build a business plan:

- Executive Summary
- Market Analysis
- Company Description
- Organization & Management



- Marketing & Sales Management
- Your Service or Product Line
- Funding Request
- Appendix (This is Optional)

# 10 Things to Consider When Writing Your Plan

1. Follow established business plan formats.
  - Include all the key plan sections so a potential investor or lender can fully evaluate your plan.
2. Write your executive summary last.
  - The executive summary should accurately summarize the contents of the plan. The best way to ensure that your summary does reflect the plan is to write the plan first, then compose your executive summary.
3. Conduct a thorough evaluation of the competitive environment.
  - Demonstrate that you've done all your homework by presenting a thorough evaluation of your competition.
4. Be honest in your assessment of the risks.
  - Don't gloss-over potential challenges to starting or growing your business and don't sugar-coat the risks.



5. Demonstrate the need for your business.
  - Demonstrate that you've uncovered a gap in the market and show that there's a need for your business. Explain how your business will meet this unique need.
6. Let your plan be fluid.
  - Business conditions and markets change. Maintain some fluidity in your plan so you can adapt it to reflect changes in the business or competitive environment.
7. Share your plan.
  - Whenever possible, solicit additional ideas and input from people you trust to ensure that each element of your plan makes sense.
8. Include Complete Financial Assessments.
  - The SBA recommends you include 5 years of projected financial statements, or if you're an existing business, complete historical data.
9. Make sure you include all the essential business plan components.
  - Your plan should address the 8 key areas we covered on an earlier slide.
10. Don't Procrastinate! Start Writing Your Plan.
  - The biggest barrier to finishing a business plan is actually starting it in the first place.



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