

Bonus Materials for Ellen Rohr
“How to Create a Winning Business Plan”

Office DEPOT®

How to Create A Winning Business Plan



with Ellen Rohr, www.BareBonesBiz.com
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Winning Business Planning! Gain Clarity and Take Inspired Action...

I believe that your own winning business is a path to peace, prosperity and freedom. I've discovered that people who have the most success by their own measurement are those who are really clear on what they want and why. And they are willing to take action! A winning business plan helps you craft your ideal business, your perfect life... and move in the direction of your dreams. It can also help you communicate your vision to someone else...your spouse, your team...an investor or banker.

Get off the hamster wheel!

Wouldn't it be cool if you chose – right now – to create your best business, your perfect life?

How would you do it? Start with a plan. [The Bare Bones Biz Plan](http://www.barebonesbiz.com/detail_bbbp.html) is a sound, simple approach to putting a winning Business Plan together and for holding yourself accountable for getting it done. http://www.barebonesbiz.com/detail_bbbp.html has a little video on Biz Planning.

If you have a plan already, use it. Dust off the one you showed to the bank 100 years ago and start with that. If you don't have a plan, try this:

Get a three ring binder. You can get a nice leather one at Office Depot! This Binder is going to house your Business Plan. Call it your Biz Plan Binder.

Get at set of tabs that fit into your Biz Plan Binder. Get the customizable, write-on kind with 8 tabs in the set. Tab up your Binder like this...

NOTE: The **bold** items are essential for a Biz Plan that you want to show to an investor or a banker. Customize a copy for the "audience." An investor wants to know how you and she are going to make money. A banker wants to know if you have assets to secure the loan...and are a good bet for paying it back. You can add to your copy of the Biz Plan anything that helps you gain clarity and take action.

Setting Sight – What does it look like? What's the point? What services will you offer? What problems do you solve? What will you do different and better from the competition? This tab of your Biz Plan Binder houses the pages that describe your ideal business:

Mission – What's the point? Why should this business exist? What's the passionate purpose?

Vision – What does this business look like when it's done? What's the end game? For example, "Market share of 25%, Gross Sales of \$5mil, Ready to Sell."

Goals – Goals are what you want to HAVE. Include Sales and Profitability Goals. Use numbers, dollars, percentages...and due dates.

Target Market – Who cares? Identify and NAME your ideal customers. Describe them in every detail.

Unique Selling Proposition – What makes your different and better in the perception of your Target Market?

The Executive Summary - Pull this Setting Sight information into one snappy, communicative page...the Reader's Digest version of your Biz Plan.

Building the Team – Who does what? Who reports to whom? Why, how and when? Use this section of your Biz Plan Binder to store your **Organizational Chart** and Position Descriptions. Keep your recruiting activities organized here.

The Organizational Chart – is a graphic representation of positions and "who reports to whom."

Position Descriptions – keep them to one page. A bulleted list of WHAT the person who holds this position is responsible for doing.

Making Money – Keep a **current copy of your financials** in this section. Are your books a mess? Craft an action plan for getting to KFP – a KNOWN Financial Position. Build a **Budget** and set Goals, in \$\$s and %s for Sales and Expenses at your new and improved company. Get REAL about your **selling price strategy**. Crunch the numbers...and commit to implementing higher prices.

See Attached files...we can give these as gifts, too! A simple Budgeting program. And, a Financial Quick Check...a simple, one page "dashboard" report. The Financial Quick Check can be made into a PDF. The Budget...unless you can offer as an Excel file, you may skip it.

Getting it Sold – If you are going to charge more (and, face it, cutting costs won't make up for years of financial losses) you are going to have to BE more... be faster, nicer, cleaner, more organized, professional, timely and loving. And, you will need to discover better ways to communicate the value of your service to customers and prospective customers. Store your **Marketing Plan and Calendar** under this tab in your Biz Plan Binder.

Getting it Done – As you develop your procedures, sure-fire systems for delivering on your promises, store copies of your procedures under this tab. Create a **Top Projects** list and assign projects to team members. Projects are activities that have more than one To Do in them. Be sure to include the due dates and who is the lead on the Project.

Making Sure – Are you on the right track? Are you delivering what people want? Is this working? Ride along with your field team. Sit side by side with your inside team. Ask your customers to give you feedback...what's working, what needs to be fixed? Organize your Making Sure activities in this tab of your Biz Plan Binder.

NOTE: Sure, you could keep all this information on your computer. Go for it! However, a nice, printed, portable Biz Plan Binder is helpful for showing others where you are going and how you are going to get there. Also, feel free to "plus" my suggestions. These tabs are one way to organize your plan. Got another approach? Terrific. Use it!

Jump Start the Biz Plan! Walk into your office with your Biz Plan Binder under your arm. Go to your computer and create a recurring appointment in Outlook. For the next 7 days, from 5 am to 7 am, work on your plan. From 7 am to 7 pm, you are going to implement that plan. You are going to tear down the wrecked business and build a brand new, profitable one. Your new business is going to get better or you are going to fire yourself for good. In one week, you could make that decision.

Go go go for Seven Days and Nights! For the next week, you will go over, under, around or through any obstacle that stands in your way. You are going to dream BIG and put the foundation in place to support that dream. You are going to work with your team and make it happen. What can YOU accomplish in 7 days?

Lasting Change or an Evaporating Dream?

Why not make a new start? Why not be fabulously successful doing what you love to the delight of your customers and the well being of your wonderful team? Why not help someone else do that, too?

Ready to Make More MONEY? Visit www.barebonesbiz.com and download your FREE gift... "Where Did the Money Go?" – Accounting Basics for the Business Owner Who HATES Numbers! You can also reach Ellen at 417.753.1111 or contact@barebonesbiz.com

Other rockin' great Biz Planning resources...

Open the Biz Plan Binder...and open the books! Jack Stack is the daddy of Open Book Management... www.greatgame.com

If you are going to charge more – you should! – you will have to learn to market better and get over your fear of selling. I love Roy Williams for marketing... www.wizardofads.com and Jeff Gitomer is a hoot for terrific sales training. Beware! He swears! www.buygitomer.com

My pal Nancy Michaels is the rock goddess of getting yourself KNOWN! www.growyourbusinessnetwork.com

For inspiration, fill your head with good thoughts (and turn OFF the news!) I search for my favorite inspirational gurus on www.youtube.com and listen while I build my Biz Plan...and my Perfect Life! Check out Mike Dooley, Kristin and David Morelli and Wayne Dyer.

BONUS! Need extra help with the Making Money section?

Lots of people are intimidated by the numbers. You can learn the basics. And, bottom line...it's YOUR money. So, here is some help for getting a handle on the money, honey, once and forever!

I didn't start out a financial maven. I fought it. I did NOT want to crunch numbers, look at spreadsheets or confront my financial situation. I wanted so badly for a magical bean counter fairy to wave a wand and make millions of dollars appear in the checking account.

“Shouldn’t our accountant handle this?” I fumed. “I don’t have time to figure this out,” I whined. I just didn’t want to deal with the money. That approach might have worked if we had lots of money. However, we were running out and digging a deep hole of debt. Sigh. When the pain of the current condition becomes greater than the fear of change...you’ll change. When I finally got fed up with financial worries, I took a deep breath and said, “OK. I’ll do this.”

Once I committed, it took me about a year to develop a firm understanding of the accounting. I tackled my accounting software and labored over debits and credits. I did whole months of data entry all wrong and had to undo and redo them. There were also serendipitous moments of ...fun. Yes, fun! Accounting is like a crossword puzzle. Numbers add up and across. If you are “off” somewhere, it is probably you, not the computer or the software. And, it is FUN to find and fix the glitch in your data entry. I raised my nerd flag and to this day I wave it proudly.

The BEST part: Finally understanding where I stood financially. I was afraid of knowing. That’s why I fought it for so long. Once I had the data, so many of the emotional issues fell away. I had the score and could make decisions based on the score. I could see the problem. We weren’t charging enough. We had to raise our prices. If that meant we would go out of business, so be it. What a relief.

Turns out people pay much higher prices than you think they would. How about that? We made decisions based on the data. I knew where the money went and how to make more of it. Very cool.

Commit or Quit...

Here’s the key for moving from rookie bean counter to rockin’ money maker: Your commitment. This stuff is NOT that hard. You can do it. Figuring out what the accounting words mean is more than half the challenge. You can do it. Basic accounting is a simple, beautiful logical system. You may even learn to love it.

You will need some help. Are you struggling with a bossy, unavailable or uncommunicative accountant right now? Do not put up with a weak financial team. Do not be held hostage. Know there are people out there who love bookkeeping and accounting and determine to find one to help you. Find an accountant who will teach you how to handle the bookkeeping and will check your homework.

Where to start? The Financial Audit...

If I were a “betting” woman, I would bet a \$1000 that the current state of your financials is a slinky-knot mess. When I work with my clients, I start by doing a Financial Audit. This lets me and my client know the current financial situation and what needs to be addressed to get to KFP – a Known Financial Position. Here’s how to do the Financial Audit:

- Run a Balance Sheet and Year to Date Income Statement dated the last day of your last fiscal year.
- Compare the Balance Sheet balances to the Balance Sheet section of your tax return. As of the last day of your fiscal year, your accounting system Balance Sheet should match up to the Balance Sheet on your tax return. Most of the time, your accountant will make yearend adjustments...for depreciation or to record the purchase or sale of an asset. It’s up to you to make sure that you adjust your financials to reflect those changes. If you don’t match up...Assets, Liabilities and Equity...make a note of it on your Financial Audit spreadsheet.
- Go through the most current Balance Sheet and Income Statement, too. Next to each account, indicate that the account is OK...or needs to be fixed. If you don’t know if that account is accurate, just put a question mark next to it. This Financial Audit serves as your “punch list” for getting to KFP.
 - For example, do you balance your checking account every month? Does your accounting program bank reconciliation balance? If so, terrific. Mark the checking account...OK. If not, put a question mark next to the account on the Financial Audit.
 - Bit by bit, you can work with your accountant to nail down the accounts. As the owner, YOU are responsible for the accuracy of the financial reports. If they aren’t up to date and accurate, how do you make sound decisions? KFP is the place to be!

The Chart of Accounts...

Work with your accountant to create, refine, and streamline your Chart of Accounts. The Chart of Accounts is the complete listing of all the accounts in the company. It is the *framework* that supports the entire accounting system.

- While your accountant’s input is desired, don’t craft your Chart of Accounts with the primary goal of simplifying your tax reporting. Your accountant has a tax software program that makes it easy for him or her to do your taxes. If your Chart of Accounts aligns with that program it makes it simple to plug and play for

Uncle Sam. However, direct your accountant to accommodate a Chart of Accounts that reflects YOUR business and gives you the data you need to make better, faster, more profitable decisions.

- Keep it simple. If you are not going to use the detail to make a decision, don't bother tracking it on a day to day basis.
- You can always use a columnar pad and a pencil to track additional information. Just because you have an accounting program doesn't mean you have to use it for everything.

"Don't use a backhoe when a teaspoon will do." ~Gail Gudell

Payroll – the last domino to fall...

When I do a Financial Audit, Payroll is usually out of whack. Why? Because it is a complicated transaction. Work with your accountant to find and fix Payroll data entry errors. Do NOT mess around with your Payroll requirements for Uncle Sam. Follow the rules. Make your deposits. If you need to revise previous reporting, work closely with your accountant to get in compliance. You need a sound, simple procedure for Payroll. I recommend using a Payroll service, like ADP or Paychex. Then, enter the Journal Entry for Payroll in your accounting program.

Change Your Ways to Change the Outcome...

Once you start operating from KFP, you might notice that you are not making any money. You might notice that you have a boatload of debt. Well, the only way to make more money is to charge more than it costs. Once you KNOW, you can change. Change your selling price. Change your operating systems. Notice the effect those changes have on your financial position. Put a budget together and compare actual to budgeted financial performance...on a weekly basis. Once you know the score, you can play the game to win.

When I took over the role of bean counter, I was humbled. Looking back from where I am now...It was the BEST thing I've ever done. Laying claim to my financial stewardship has helped me create a business, a career and a fortune. And, it is wonderful to help other rookie bean counters lay claim to the POWER of financial management.

By the way, I now operate from a KFP...Known Financial Position. I delegate the bookkeeping now. I keep an eye on my company, my husband's company and the Rohr

Family Fortune. I review the Financial Quick Checks on a weekly basis and comb through the Balance Sheets and Income Statements once a month. All of this takes a total of about 3 hours a month. And because I KNOW how to keep score, I can spot a mistake. I work with my bean counters and they help me stay at KFP. I keep track of the money...and keep making more of it.

If you have got the energy, the commitment, the “fizz”...then all you need is information and experience. You can do this. And you will be well served by this set of skills. It’s time for you to play in the big leagues. May this be your breakout year. I see you creating a fortune!

Q&A Session for *How to Create a Winning Business Plan* with Ellen Rohr

Date: Tuesday, March 9th, 2010

Q: Would you say that the advice and principles you are generously sharing are universal and applicable anywhere, across the planet like you said in the early moments of this webinar?

A: Absolutely! The Balance Sheet is the same across the planet. That's how you keep score in the Game of Business. A Biz Plan is simply a way to move from thought to reality regarding your business. A three-ring binder is a "old school" way to keep track of your ideas and hold yourself accountable for taking action, making progress towards your dreams. Hopefully this Web Café inspired you to put a Biz Plan together and get smarter about your financials.

Q: I'm a photographer. I have some of my work in small family owned restaurants and a few doctor's offices. The photos are for display purposes hoping that a customer/patient will see the work and ask who the photographer is. This is initially money out of pocket with the hope of generating a sale. Can you help me determine who are my perfect target customers and if this is an effective way to market?

A: In my book, *The Bare Bones Biz Plan*, I suggest that you find a Marketing Guru and Sales Guru and learn Marketing and Sales basics. For marketing, check out Roy Williams great book, *The Wizard of Ads* and Harry Beckwith's, *Selling the Invisible*, and my favorite, *How to be a Big Fish in a Small Pond*, by Nancy Michaels. For sales, check out anything written by Tom Hopkins or Jeffrey Gitomer. You can LEARN these skills, and update your Biz Plan - The Getting It Sold Section - to reflect your marketing and sales activities.

Money buys options, however, you always have options. If your clients frequent those establishments, that may be a good way to reach them. Are you measuring, tracking the results? Passing out business cards everywhere you go, and sharing a testimonial of one of your favorite clients can open doors for zero dollars. As you earn more money, you can engage in more Marketing. Nothing beats creativity, however.

Q: I just started a LLC. I had never heard of board of advisors for private businesses; do I need one?

A: A Board of Advisors is an informal group of smart, successful business people who have agreed to counsel you for no money. It's sometimes called a Master Mind group, where you help each other. If you think that sounds beneficial to the growth of your business, go for it! It isn't essential. I am a BIG fan of mentorship. I like being one and having a mentor as well.

Q: Can you address the brain drain of having to work with "virtual" projections for a really new business? A lot of folks can't get past creating projections. How does a business come up with the projected revenue?

A: I absolutely love this question! Think of it as dreaming! Think of it as goal setting! Remember - we can't ever know every detail about the future. Just lay out 1-3 scenarios based on assumptions and have some fun with the project. This is Budgeting and it doesn't have to be like "dieting." Consider what you WANT for expenses - including how you want to make money. Consider how much you want in profit. Then, make sure the sales line is big enough to accommodate. Play with how many widgets you can sell - hours of time? Products? It's imagining what you want and that is a powerful way to make things happen.

If you have some business history, take a glance at the past as you make projections. For example, if rent is a known monthly dollar amount, budget it in. If the past performance of your business was poor, don't feel bound to recreate it! Look forward and consider a fresh slate as you budget for sales and expenses.

I suggest you don't work on any project for more than 2 hours at a time. Beyond that we can lose focus. Be sure to leave notes for yourself so you can pick up the budget or project again at another time without wondering, "*Now, where did I leave off...?*"

Q: Can these forms be used for those who don't currently have any finances?

A: If you are just starting out in businesses, good for you! How cool to learn about financials before you get into trouble. It may keep you from getting into trouble at all! For financial basics, check out our free download, *Where Did the Money Go? – accounting basics for the business owner who hates numbers.*

As Web Café gifts, we are sharing our Financial Quick Check and Baby Budget Excel forms with you. Take a swing using the Budgeting program and the Financial Quick Check with pretend numbers, to get the feel for them. We also included a Financial Quick Check Meeting Agenda which helps you USE this form to keep track of the money and reach goal (Budget!) These forms are customizable edit them to work for you. And, partner up with your accountant or bookkeeper or savvy business owner friend to expand your understanding. Keep in touch with us at www.barebonesbiz.com. There is a lot of free help on our site. Click around!

Q: In regards to target markets, how do I analyze which market I can make the most with?

A: Close your eyes. Picture your IDEAL customer. Someone you have done work for before. Someone who was fun to work with and paid your prices without whining (too much). Who is that person? Name him or her. Now, create a profile of that person. Age, neighborhood (similar neighborhoods), where they shop, take kids to school, how they live, what's important to them. Your ideal customer can even turn you on to their friends and family members. This is a great way to get your arms around your target market so you can serve them!

Q: How does one determine what they are worth (should charge) for a service which you stated is selling the widget of TIME?

A: My mentor Frank Blau told me that the problem with business owners is a self-esteem problem. We don't think we are worth very much so we don't charge very much. Ouch. I think he is right. Mark Victor Hansen put it this way, *"You can raise your prices as often as you raise your self esteem."* So the difference in price among competitors is usually what the owners pay themselves and the good people who work for them. When you play with the Budgeting program, you will see the impact a decent salary has on the Selling Price formula for your time. If you want to make \$100K per year, and you want to work only 1000 hours a year, your Selling Price per hour starts at \$100 per hour. Make sense? When you do this kind of numbers crunching, you are going to be higher priced than most of your competitors. Gulp. Good News! You can sell at higher prices! It may take some courage (and some sales training!) When you get really good at communicating the value of your services, at how you save time and money and frustration by solving problems, you will get more and more people to say... YES!

For more business planning tools visit www.barebonesbiz.com and download your FREE eBook, **"Where Did the Money Go?" – Accounting Basics for the Business Owner Who HATES Numbers!** It has a great glossary of Accounting terms – in real people lingo. And, it clearly defines the Balance Sheet, the Income Statement, using a small business owner's real world transactions for example.

You can also reach Ellen at 417.753.1111 or contact@barebonesbiz.com