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Writing a Successful Business Plan

Many thriving businesses begin with someone's great idea for a product or service. While that first inspiration is critical to any successful company, the New Jersey Society of Certified Public Accountants (NJSCPA) also advises you to have a solid roadmap for the future. That's why every company — whether start-up or long-standing — should have a business plan, a document that charts where your business stands today and where you plan to go.

The Value to You

There are two important reasons to have a business plan. First, it's a great way to organize your thinking about your company and take a hard look at its strengths and weaknesses. Many owners are so caught up in the day-to-day business operations that they don't get to do any long-range planning. A business plan offers you the chance to step back and view the big-picture of your company's situation.

In addition, a business plan is a necessity if you would like to get a bank loan or attract investment dollars. Both lenders and investors will request the kind of detailed information found in a business plan.

Financial Statements

Your company's financial statements are probably the most important element of your business plan. They provide the information necessary to make key decisions and offer lenders or potential investors crucial details about the company's financial health and prospects. A plan for an existing business would include historical financial statements that illustrate the company's economic situation. Both existing companies and start-ups should also include prospective financial statements. These documents provide an educated guess about what you expect your income statement, balance sheet, cash flow and expenditures will look like over the next several years.

Key Details

Another important element of any business plan is the company's description. It doesn't have to be lengthy, but should crystallize what the company does or manufactures, what marketplace needs it meets and how the business will be able to produce its product. You should discuss particular assets that will contribute to your company's success, such as a great location, expert personnel, a unique product or service, or strong relationships with potential customers. In general, you are answering these crucial questions: What kind of company is it? Why will it be a success? Why should someone be a potential investor in the business?

Market Analysis

Another critical section of any business plan is the market analysis. This is where you describe the industry in which your business will operate, identify the target market for your goods or services and assess your competition. The section should also cover any market tests you have done, which might include contact you have had with potential customers, product demonstrations and the kind of responses you received. This exercise can clarify your thinking about your company's place in the market and help you become more competitive. It also shows potential investors or lenders whether you can thrive in your target market.

Every year, tens of thousands of small businesses turn to their local CPAs for help with all their financial questions. Your CPA can supply you with the financial statements you need to manage your company and help you create a winning business plan.

If you don't have a CPA, you can easily locate one online using the NJSCPA's free, online Find-A-CPA service. Just go to www.findacpa.org, and in a few clicks you can locate a highly qualified professional who can assist you.

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