

# 10-20-21 Becoming an Entrepreneur- Creating Your Business Pla...

Tue, 9/14 11:58PM 13:16

## SUMMARY KEYWORDS

business, plan, define, ideal clients, talk, funding, serve, create, sba, understand, framework, roadmap, pieces, resume, projections, startup costs, investors, revenue, starting, legend



00:00

Hey, everyone, welcome to another episode of legendary leaders. I'm your host, Katrina Jamison. I'm the founder of legend leaders, where we arm business leaders with the strategies they need to live life on their terms, a legendary life. We've been talking about starting our own businesses, we've been answering the questions, should I start my own business? And if you listen to the very first episode of the month of October, right, two weeks ago, then you've answered those questions. And you know, if entrepreneurship is right for you. Last week, we talked about what, what business should you get into what business should you start, right. And one of the key fundamentals that we call it out was, it must make money, you must create a business that generates revenue, that doesn't generate revenue, it's just a hobby, right? Now, you've moved through all those pieces, you know that you should start your own business. If you're hanging out with me today, you figured out the business you think you want to start? And so today is all about creating your roadmap, and that roadmap is your business plan? Yes, I know, when you hear the word business plan, you're like, Oh, god, no, thank you, that's too much work. It is, it's a lot of work. business plans are significant amount of work. But here's the deal. Would you rather sit down right now and create an invest in your in yourself, and your future business, all of the research and details that you need to have in order to be successful, so that you create this plan, this agenda, this entire view of where you want to go. So then all you have to do is go do it. Think about if you come from the corporate world, and a lot of individuals do. When you work in the corporate world, you show up, they give you the framework of what must happen. And then you figure out how to be successful in that framework. Where you're doing whenever you start your own business, and you create a business plan is that you're creating the framework for your business. most business

owners and business leaders don't create a business plan. They just start their business on their own. They generate the revenue, they bootstrap it, they pull their money and their savings. And they don't put together a business plan. And most people end up wasting a significant amount of time and money. Because they didn't have a roadmap to follow. They didn't create targets, they didn't understand what they were doing, or how they were different, who they wanted to talk to all the different components that your business plan helps you define. And so I'm challenging you right now, if you own a business today, already, you're hanging out with me because you want to listen to me, which I appreciate. And you don't have a business plan, write a business plan. Okay, if you're already operating your business, write a business plan. If you just started your business within the past three years, and you don't have a business plan, write a business plan, you will accelerate your results with the business plan. Now for those of you that are following through with me, because you're defining and deciding about your next steps, and owning your business business plan is going to help you truly validate if your idea would generate revenue. And again, when you want to know that now, it's been a couple of weeks figuring this out, versus spending all of your savings and two or three years of your life. finally realizing that this plan is not going to generate revenue. I don't want you there. I don't want you to waste money and time, I want you to take a few weeks, I want you to pull this together. And I want you to determine confidently if this business idea is going to take you where you want it to get. Okay. Perfect. So let's talk about your business plan. So when you write a plan, there are a couple of things that you've got to put in here. Now everybody does a business plan a little bit differently, right, you may put in a couple of different pieces. But let me tell you the key fundamentals that you must have in a business plan. Number one, you have to put in there what you do. What does the business do? What does it sell? What services does it provide? What do you do? Who do you serve? Who's your ideal client, or customer? Who do you serve? You must be intentional. If you don't know who you serve, then you're going to serve no one. So this helps you again, do a lot of things and define your business in tangible terms. And you've got to have that. So what do you do? And who do you serve?



04:32

The next piece? Where do you operate? Right? Are you an online company? So you operate completely in the US? Are you a local company? Do you only operate in your city or your state, define it. When you define your geographical area or your reach, then you're going to define the number of customers or clients that you're going to be able to interact with. There's only so many people in the city that you live in. And then therefore there's only so many of your ideal client that exists. Good to know about how many people you can serve. that's critically important. Where do you operate? And then what makes you different? Why are you different than everyone else? What's, what's your new unique?

offering? What you know, what do you bring to the table? What's your unique offering? What makes you different? Find it. And that means that you've got to look at competitors. And you've got to understand what's happening in the market around you, if you're acting locally, you must understand all those pieces, again, his eyes wide open going into this scenario. So define it. Now, a couple of other things that are logistical about your business, you have to actually file and create a business, especially if you're going to seek out funding, if you're going to go get an SBA loan, for example, you have to have an entity. And so decide what kind of entity you're going to have. Is it going to be an LLC, a sole proprietorship? Are you going to have an S corp or a C Corp, you're going to have investors, right, if you have investors, you most likely are going to have to have a C Corp. And so all of those things have to be defined, you can start off bootstrapping this business, right? Putting in your own money. You don't have to have investors and you don't have to have an SBA loan necessarily. But you do want to define these terms, such as in the future, you can go pursue those avenues, you can always adjust. But creating an entity is important. And you need to decide what that looks like for you. Okay, so what entity did you choose? What do you do? Who do you serve? Where do you operate? What makes you different? And then the next piece you're going to add in that business plan is what's your mission and your vision? What are you trying to achieve? And what's your vision, such that if you achieve your mission, that will happen, what will happen in the area that you serve? When you achieve your mission, that's your vision. Got her both of those in there. Then again, especially if you're seeking funding, or if you're going to go get with investors, you need to add these next couple of components into a business plan. The first thing is your resume, right? Why are you the person that's going to be able to successfully open and run this business? What have you done in your life that makes you the expert? Okay. So if you're starting a plumbing business, then you are a plumber, and you have your license to be a plumber, you've worked in the plumbing industry for X number of years, you've had varying degrees of responsibility, maybe you were a manager of a plumbing office, and you went out and did calls and manage all the other technicians. Okay, that's your resume. But let's say you're starting a business and it's your it's been your hobby, and you're really good at it, but you haven't ever made money off of it, then you need to come up with a couple of really good reasons as to why you are going to be a successful business owner running this type of business. Okay, so get a little bit of experience if you need to seek out others who own their own business. And maybe you pay them a consulting fee to help you, whatever that looks like. But your resume is key if you're going to get funding, and you've got to have it in there. And it can't be modest. I mean, you've got to really call out how amazing you are and why this business is going to be amazing, because you own it and run it. That's critical. All right. The other thing you're going to throw in there are business projections, yes, you have to do business projections. And you must do them for three years a business plan calls for three year projections. Again, especially if you're going for an SBA loan, you must have three years worth of projections.

And so the first thing you must sit down and do is understand all the ways that you can generate revenue. What does that look like the font, the pricing for each one, and then define the occurrence, or the number of purchases for all those different pieces on a monthly basis. Starting in the month that you open through three years, after being open, right for every month, you've got to define it. That's your revenue model,



08:54

you also have to throw in your expense model, you then have to talk about your net profit. And don't forget startup costs. If your head is spinning, that's kind of okay. Right? I don't want you overwhelmed at the same time, I want you to understand that doing this research now saves you time. And you can understand. If you define all of those pieces, and you're looking at your three year roadmap, you've just got to stay on top of it. You already know what you're gonna sell, you know what your prices are, you've done some market research. You've got it mapped out. Just got to work within the framework. You just got to make it happen. And you're used to doing that. The only difference is that right now you have to decide what that framework looks like. And I know a lot of entrepreneurs, especially first time business owners, panic a little bit. I don't want to make the wrong decision. I don't know. Here's the deal. Remember this. We talk about it all the time. Right. making a decision and being wrong is better than being frozen and wasting six months to a year. not moving forward. Make a decision. The plane is there. You can adjust the plan. It's okay. Hey, your plan isn't set in stone. But you need to be realistic. You set your prices based on what you've done, what the market is doing, and the research that you've done. So what I'm trying to say, the research that you've done based on the market and the industry that you're getting into, set your prices, create your offers, put it all together, create an appropriate mix, okay, don't overestimate. But try to hit the sweet spot. And then that's your three year business projections, which you must have in your business plan. And then last but not least, this is super helpful, it really will help if you're trying to get funding letters from ideal clients, letters from ideal clients, let's say for example, I was going to go out and get funding for legend. Okay, I would do all the things that I just outlined for you. But then I would also go and talk to local corporations here in the area, for example. And I would get them to say, right, if they're interested in my services, what I would want them to do is write a letter that says, hey, you know, when legend receives a funding and can expand their program to this level, I'm opting in I'm going to buy their services I want, what they're offering. And if you can do that with several ideal clients and put that in there, it's huge, especially again, for funding, because the bank says, Oh, well, we're just taking a gamble on you based on your business idea. But if you've already got potential customers, that makes us feel a little bit better about loaning you the money, right? That's, that's really what happens. The other thing is pain, it gives you a boost, right? You're coming up with this idea that you already have a couple of people who want to opt

in. I mean, you're you're creating momentum. And momentum is key when you're starting this business. So your business plan is going to define Can you make money or not? Here's how you're going to do it. Because you're going to find what you do and who you serve, and where you're going to do it and how you do things differently. You're going to have your resume beefed up and built out talking about why you are the person that can run this business successfully. Those three your business projections is your roadmap, how you're going to get it done, what you're going to achieve, rather. And then you're going to have some letters from clients talking about they can't wait to use your services. And that's your business plan. Now, the other thing I want you to think about as an aside is if you go seek out a loan, you need to do some research around the SBA. I don't have association with the SBA, so I am not a representative of them, let me be abundantly clear. Okay, you definitely want to get with someone with the SBA, in order to understand how to how to really perfect your business plan, they can help you with that to the next level, just giving you the framework, okay. But they're going to ask for a percentage down depending upon the type of loan that you take out, and you want to be ready for that. So your business projections, and your expenses and your startup costs will help you understand how much money you're going to ask the bank for, right? That's backed by the SBA. And you're going to have to bring a percentage between 10 and 20%. And this is going to help you understand if you're ready to invest that capital. So your business plan will serve you in a multitude of levels. And your challenge is to go write your business plan. That's your challenge for the week. As always, go and be legendary.