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The Monthly Resource Guide For Startup Businesses

NEW BUSINESS MINNESOTA

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Planning for Success in 2015

Get Out Your Compass and Chart a Course Toward Success. To get you going in the right direction keep you on target, here is a team of experts to share their insights on planning, budgeting, goal setting and more. You need these strategies.

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A Business Plan is Your Roadmap to Success

Success Is Not an Accident; It's the Result of Planning

By Glen McCluskey

Business Launch and Legal Services

When you decide to launch a business or a non-profit organization, you leave the ranks of those who take orders from somebody else. Now it is up to you to give the orders, even if you are only bossing around yourself. It is a bit more challenging when you are behind the wheel, making all the decisions, rather than being a passenger taken on a ride.

Now, imagine you are driving solo across the country without a map. You may have a general idea of where you want to go, but at any given intersection, you may not know which way to turn. And what happens when the road ends in a T and you have to change directions. Which is the best route?

As Yogi Berra said, "When you come to a fork in the road, take it."

That's easy for him to say.

You would never go across the country without a map or GPS, and likewise, you should never run a business without having a plan. That's what a business plan is, it is a map to guide you toward your goal. It is also a way to foresee and reduce risks that bring many businesses down.

Like any map, the way you design it depends on your goal. If you are looking for oil you use a geological map. An urban planner may look at a population density map, and when I fly a plane, I use an aerial map. They are all completely different maps. Each one may be perfect for a particular purpose, but totally useless to everyone else.

A business plan works the same way. It is not one size fits all. Each plan should be tailored for your particular purpose. If you use a plan out of a box that was made with a cookie cutter, I can guarantee you will get lost. It's like ordering shoes online: it probably won't be a good fit. Another consideration when starting a new business is making sure you set up a workable, expandable infrastructure to operate your business as it increases. I have found that when at least basis systems are in place before the business is up and running, the business will operate more smoothly. This allows you to do business, make revenue, and focus on customer relationships, rather than creating systems and dealing with bumps in the road that could have been foreseen.

Existing Businesses

While it is always best to develop a plan when you launch your business, ongoing businesses need plans, too. I have seen two types of business owners that operate without plans. One kind thinks they don't need a plan because they know what they are doing. What this tells me is that they are constantly driving on the same routes, over and over

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Call To Action

If your goal is to be successful at what you do, focus on what you do best, and let me help you reach your goals through proper planning and execution. Call me today at (651) 646-2669 for a free consultation.

again. They don't need a map because they never go anywhere new. What will happen when the situation changes? Situations always change.

The other kind of owner may know they need a business plan, but they are so busy in day-to-day operations that they don't take time out to look at the big picture. The irony here is that one reason they are too busy is because they haven't planned! The good thing is that it is never too late to do a business plan.

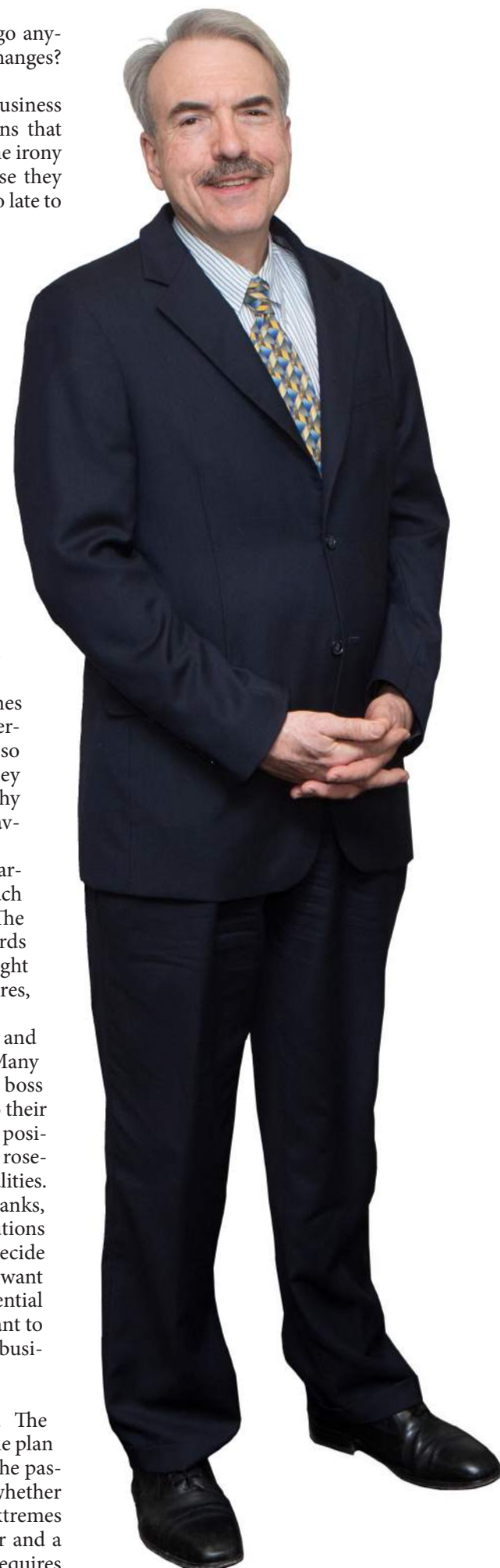
Your Business Plan

Here is an outline of what should be in a good business plan:

- **Roadmap to Success** -- A detailed business plan sets out goals and objectives and shows how to reach them. This includes the smaller objectives and milestones that let you know you are making progress and are on the right track. It gives you a clear course to meet the future head-on and shows how to anticipate and handle certain challenges.
- **Critical Eye** -- Includes research and analysis of certain critical factors regarding a potential business or business opportunity. These factors include operational, legal, technical and financial ones. As a licensed attorney, I am especially concerned with structuring a proper legal foundation to provide liability protection, agreements with partners, etc.
- **Competitive Analysis** -- Explores and examines competitive issues head on, analyzes them and determines how to counter them. Entrepreneurs can be so infatuated with the idea of starting a business that they don't consider the players already in the market. Why be stuck on a clogged highway when the road less traveled can offer better opportunities?
- **Marketing Analysis** -- Surveys the intended market for both risks and opportunities, and how to reach that market through advertising or other means. The distillation of your value proposition and key words guides your designers and SEO providers with the right language to use when making a web site, brochures, post cards, etc.
- **Financial Projections** -- Shows expected revenue and expenses, along with the projected bottom line. Many entrepreneurs enjoy the freedom of being their own boss so much that they don't always pay close attention to their numbers. It is important to be optimistic and have a positive attitude, but not to the point where you don't see the rose-colored glasses that cover up important financial realities.
- **Bankability** -- Helps you obtain funding from banks, venture capitalists, or other lenders. Such institutions will typically demand to see a plan before they decide to provide you start up or expansion money. They want to know how you plan on paying them back. Potential partners, angel investor or venture capital groups want to know, too. By enhancing the predictability of your business, a good plan improves your credibility.

The Collaborator

Building a business plan is a collaborative effort. The extremes are the do-it-yourselfers who often leave the plan unfinished because he or she is overwhelmed, and the passive owner who just accepts a plan out of the box, whether it fits or not. The balanced position between these extremes is a collaborative process between a business owner and a planning professional. The creation of good plan requires an interactive effort. That's why people like me exist, someone who can help you see the big picture and design a plan that's customized to fit your individual goals and



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loyalty. The next low-bidding competitor will take away his “cheap” clients.

I then asked him if he could get away with raising his price by 10 percent. He said yes. To which I replied, then let’s do it Monday. The architect raised his prices. Nothing happened except that he increased revenue. Then he became a client.

That question is posed to all my new clients. Most feel they can get away with raising prices until I tell them to do it on Monday. They balk because they lack confidence. Low confidence leads to low expectations.

My architect client had worked at a large firm where someone else made it rain and managed things. He wasn’t used to doing it.

He had no idea how big he could get. By taking him through a good planning process following the EOS program, he was able to set his sights higher than he previously thought possible.

With the big goal in place, it was a matter of challeng-

ing him to look at three-year and one-year goals.

Like many of you reading this, he was trying to do everything himself. He was consumed by the minutia that drove him crazy.

To grow, he needed to give up chores he could outsource, like bookkeeping, so he could spend more time creating relationships with people who could send business to him.

To keep his plans and goals on track, we began meeting on a regular basis. I kept him accountable and helped with problem solving and removing obstacles.

Recently Leander Limited has been handling this client’s personal and business finances, even paying his bills, to make his life as simple as possible. That frees him to focus on just two things: finding more work and making sure it gets done.

Having a plan and working the plan through the EOS model, the architect’s income will be up \$100,000 over last year. Now he is really on fire for 2015. Success

breeds success. He’s still a one-man shop, except now he outsources about 20 percent of his new accounts to other architects.

The lesson is, don’t spend time on what you aren’t good at; delegate to someone else. Jettison the tasks you dislike. If you are a sole proprietor, technology makes it easy to outsource many of these distractions.

Planning for 2015

I’ve laid out some task in this article to help you think about planning in a different way. Don’t just create a wish list for the new year. Set realistic goals and back them up with a plan of action to drive the results you want.

Work with someone like myself who will challenge your thinking and assumptions and hold you accountable. We all need to be pushed and encouraged to abandon old ways of doing things, to think bigger and smarter and have a vision that is attainable.

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needs. It is like several counseling sessions where I ask questions and help you craft the answers to drive your particular business toward the success you are seeking.

We are fortunate to live in a free enterprise society. Many have gone before us, so we are not venturing into uncharted waters. The basic schemas for planning a business have already been mapped. A business planning expert is one who can apply this inherited wisdom to your unique endeavor. You are not inventing the idea of a business, you are adapting your idea to a proven formula.

I’m especially interested in exploring how general ideas work in practical situations. I am fascinated by how organizations work and how things get done. This

curiosity has led me to a variety of endeavors, from running a video production business to serving as an in-house counsel for Fortune 500 companies. I’ve been on the board of a non-profit radio station and headed my local district council in St. Paul. During law school I managed an organic food warehouse. The single biggest lesson I have learned from all of these endeavors is that all organizations operate according to the same principles. It doesn’t matter whether it is a big corporation, a mom and pop business, or a nonprofit organization.

These principles are not set in stone; they are flexible. That’s why they can be adjusted to your individual business to create a robust plan that works, one that sets you on the right track, helps you avoid predictable prob-

lems, and leads you to success.

Getting Started

I look forward to working with you and your business, to meet with you, talk with you, and discover what’s special about your endeavor. I am always baffled when people say, “I’m not ready to do a business plan.” My mind tells me the exact opposite: “It is always the right time to plan.” It is never too early or too late to get started.

But one thing is for sure. Once you have a functional business plan, you will wonder how you ever survived without it.

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