

Transcript for How to Write a Business Plan – Step by Step Guide Video

[music]

ALEX: Hey! How's business?

JEN: Terrible. I don't get it. My neighbor Jacob opened up a lemonade stand, and he's been making tons of money.

ALEX: Jen...He's, like, five years old.

JEN: And he's killing it! Gah!

ALEX: Maybe there's something else you're good at?

JEN: Oh, what? Like I'm just supposed to sit back and wait for my next business venture to go walking by?

[dog whining]

ELDERLY LADY: I know, Sweetums. We'll have to get you cleaned up.

[barking]

RAYMOND: Ugh! This happens every time we go to Mud Park!

[gasp]

[ding]

ALEX: There it is! Quick! Let's make a business plan!

JEN: What? No, come on. I'm not pitching this on TV. This is just a side thing.

ALEX: Business plans aren't just for big companies. Even if you're just brainstorming, writing a business plan takes your idea and turns it into something you can act on.

JEN: Whew! Let's do it. OK. What is the business? Dog Wash!

ALEX: Great! Now how can you say that in a way that shows the value you're creating for people?

What is the Business?

JEN: Hmm...It's on the way home. People don't have to worry about getting their house and towels all dirty. And it saves them time!

ALEX: Awesome! And how does it work?

JEN: It's a booth with a washing station, and owners pay me to wash and dry their dog's paws.

How Does it Work?

[barking]

ALEX: Great. Who's the team?

Who's the Team?

JEN: Oh, it's just me right now. But it would be cool to have a second dog washer and a cashier.

ALEX: Sure! Down the road you might add an advisor or someone who can help you with legal stuff and money stuff, too.

JEN: Sweet. What is the market?

What is the Market?

ALEX: Yeah, where does this fit in? Who is it for? And are there enough potential customers to support a business?

JEN: Okay, so...I'm looking at dog owners who live around here and who walk their dogs at Mud Park.

ALEX: Lots of research here is good. You wanna be an expert in your industry. Like, what percentage of dog walkers carry cash with them?

JEN: Hmm... I have no idea. But I could find out, and that would help me decide which payment options to provide.

ALEX: Exactly. Some stuff you'll learn along the way, but the more you know about your market, the better you can serve it. Who are your competitors?

Who are Your Competitors?

JEN: No one!

[ca-ching]

ALEX: You can learn a lot by looking at other businesses, whether they're direct competitors, businesses that share your market, or even businesses in a completely different industry that inspire you. Researching the competition helps you identify the things that make your business better.

JEN: Yeah!

ALEX: What's your market strategy? How do you grow your business, and what are the steps along the way?

What's Your Market Strategy?

JEN: Oh! Maybe like...

Start with one booth and test it out to get some feedback. I could advertise it at the pet store and the puppy school. Then I'd upgrade my booth so I can move it around to clean more dogs and make more money.

ALEX: And what are the numbers?

You don't have revenue yet, but you can still think about your costs and your pricing.

What are the Numbers?

JEN: Ah...

And lastly, what do you need?

JEN: Tubs, a water source, doggy shampoo, towels...

What Do You Need?

ALEX: Any resource!

You may need equipment or real estate or a permit. Or capital, which is a fancy word for money. It can come from your savings, a grant, a small business loan, or an investor.

And that's it!

JEN: What is the business?

How does it work?

Who is the team?

What is the market?

Who are the competitors?

What's the market strategy?

What are the numbers?

And what do you need?

Whew! That's a lot.

ALEX: It is, but just think how well you'll understand your business! You'll be able to take charge, make smart decisions, and talk about your business confidently.

JEN: Cheers to that!

[clink]

[sputters]

JEN: Too much salt?

[music]

ALEX: You put salt in this?

JEN: Yeah! For the electrolytes. It's good for post-workout hydration.

ALEX: Ew! But terrible for business.