



Unit 2

Developing a Business Plan

Learning Outcomes

By the end of this unit the learner will be able to:

- Identify consulting opportunities
- Create a business strategy that includes a business plan, budget, marketing plan, fee structure, and resources

Unit 2

Developing a Business Plan

Creating a Business Plan

Why a Business Plan?

We firmly believe that every business needs a business plan, although the size, complexity, and components of the plan will depend on your business. The business plan requires you to take a close look at many aspects of your plan and commit to them. This, in turn, will clarify the business for you and expose any issues that will need to be resolved before the business is launched.

Some people procrastinate about committing their plan to paper, but having a framework and acknowledging that the plan is going to help you out makes creating the business plan an easier task. In fact, the business plan should not be an intimidating exercise at all.

The One-Page Plan

If the business that you are starting is very small, you may want to begin with a simple, one-page business plan. This type of plan usually includes the following elements:

- Company description
- List of products and services
- Marketing and sales strategy
- Financial projections

This type of plan can also be expanded into the longer, more formal structure presented on the next page.

The Formal Plan

A formal business plan typically includes the following elements:

- Executive summary (written last but presented first in the plan)
- Table of contents
- Company description
- List of products and services
- Market analysis
- Organizational structure
- Operations plan
- Marketing and sales strategy

- Financial projections

Other optional and helpful elements can include:

- SWOT analysis (strengths, weaknesses, opportunities, and threats about several aspects of the plan)
- Glossary (helpful if your audience is not familiar with industry jargon)
- Supporting details (such as logos, graphic representations, and charts)

Checklist for Setting Up Your Business

Once your business plan is in place, it's time to start getting things done. Here is a checklist of the basic items that you will need to develop.

Creating Your Brand

Your brand has three essential elements:

- Your company name
- Your slogan
- Your logo

First, develop your company name. It should reflect who you are, be easy to pronounce, and be easy to remember. Many consultants choose to use their last name with an appendage like "Consultants," "and Associates," or "Group." Be sure to do a copyright and legal search to make sure that no other businesses are incorporated under that name.

Then, you can develop your slogan. A good slogan is short, punchy, appropriate, and true to the company and/or product it represents. It should be no more than six words.

The last piece of the brand is your logo. We strongly recommend seeking help with this part unless you are a graphic designer.

Developing Your Business Structure

Most consultants typically start out with themselves as the sole employee of their business. However, depending on the type of consulting business you are starting, you may have other full-time consultants, employees, contractors, or freelancers in your business. This is the time to figure out how you will start out and what your targets are (if any) for staffing.

You should also give yourself a title in the business. Some options as the owner include:

- President
- CEO

- Principal
- Chief Consultant
- Director
- Owner

Choosing Office Space

Consider whether or not you need office space. If your consulting business requires a lot of travel, then a home office might be a viable option. Be sure to have a dedicated space in your home, as well as dedicated telephone and fax lines if necessary.

However, if you are meeting with clients and primarily working in a small geographic area, then consider renting a formal office space. Be sure to consider things like:

- Rent cost per square foot (which will help you compare office space options)
- Overhead costs for yourself and clients (such as parking)
- Convenience for clients and yourself
- Appearance (what does the location say about you?)

Designing Your Contact Information

Next, set up convenient ways for clients to contact you. A smartphone with e-mail and Internet access, text messaging capabilities, and support for video calls is essential. (So is a reliable provider.) If you travel a lot, you may want to just have a cell phone and not a land line. Either way, you should have separate business and personal telephone numbers.

You should also have a fax number. Internet faxing is easy and cheap, and can often be accessed from any computer. Be sure to choose a service that provides you with a dedicated number.

Your website should have your own domain name, as well as several e-mail addresses with that domain name (such as yourname@domain.com, support@domain.com, admin@domain.com, and sales@domain.com). You might monitor all of the e-mail addresses at the beginning, but the separation is important to maintain a professional appearance and to make things easier if your business grows later on.

As well, be sure to get a professional mailing address (especially if you are using a home office). Most postal mailbox services will allow you to use “Suite” instead of “Postal Box” in your mailing address.

You may also want to consider tools like conference call services, virtual assistants, and answering services.

Creating Promotional Materials

Now it's time to design your marketing and contact materials. This can include:

- Business cards
- Stationery
- Website
- Social media pages
- Leave-behinds for clients (packets of information that contain boilerplate information about your business and services, and include space for project estimates and other client-specific information)

Are there any other materials that you feel you should create to support and promote your business?

This image shows a single sheet of white paper with horizontal blue ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

Gathering Resources

We highly recommend getting some specialized help when setting up your consulting business. A small business accountant will help you set up your finances appropriately, including taxes, insurance, and retirement funds. Likewise, a small-business attorney will help you complete all the necessary paperwork and ensure that your work is protected.

You may also want to consider hiring a coach or finding a mentor with experience in your field. Both types of resources can help you grow in the right way and make your business a success.

Some other specialists that you might consider getting help from (depending on your experience and your business model include):

- Marketing and/or social media specialists
- Software developers
- Image consultants

Consider the possibility of bartering with other consultants and companies. For example, if you need a client tracking program, and you know of a software company that offers one and needs the services that you offer, perhaps you can trade services. If you do the job well, this offers the added benefit of getting your name out there and establishing your reputation.

What resources could you use when starting up your business?

Test Driving

Test your Knowledge

Complete these worksheets to develop your idea for your own business as a consultant.

Business Basics

What will your business offer? (Describe this in terms of service, segment, and site.)

How is it unique?

Financial Projections

Category	Amount
Monthly personal expenses	
Monthly business expenses	
Business re-investment amount per month	
Minimum Monthly Income Sub-Total	
Taxes to Save (estimate 50% of amount above)	
Minimum Monthly Income Final Total	

Hourly Rate

Billable Hours per Month

Financial Goals

Key Aspects for Rate Sheet

Creating Your Brand

What will your company name be?

What will your slogan be?

What will your logo look like?

Developing Your Business Structure

Will your business have other employees? If so, what positions might you include in your business structure?

What will your title be?

What resources can you leverage?

Choosing Office Space

Will you be traveling as part of your consulting business? If so, what percentage of your time will that account for?

What will you require office space for?

What would your ideal office look like?

Designing Your Contact Information

Outline how customers will be able to contact you.

Will Use?	Method	Notes
	Mobile Telephone (voice/text)	
	Land Line	
	Fax	
	E-mail	
	Conference Services	
	Mailing Address	

Creating Promotional Materials

Briefly describe the following materials that you will create for your business. Feel free to add any additional items that you will be using.

Business Cards

Stationery

Website

Social Media Pages

Leave-Behinds for Clients

Other Items

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This image shows a single sheet of white paper with horizontal blue ruling lines. The lines are evenly spaced and run across the width of the page. There are approximately 20 lines visible. The paper has a slight shadow on the right side, suggesting it's resting on a surface.

What Do You Think?

Consider your business worksheet again and list any areas that you consider should be improved upon.

This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There are approximately 20 lines visible. The paper has a slight shadow on the right side, suggesting it's resting on a surface.

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and extend across the width of the page. There are no margins, text, or other markings on the paper.

Further Reading: