

YES. *for* **Arkansas**

Youth Entrepreneur Showcase

YOUTH ENTREPRENEUR SHOWCASE

Arkansas Economic Development Commission

To *lead* statewide economic development, *create* targeted strategies which produce better paying jobs, *promote* communities, and *support* the training and growth of a 21st century skilled workforce.

Purpose of a Business Plan

- **To seek financing.** One of the main purposes of a business plan is to seek financing for a business. Based on the quality of the business plan and the entrepreneur's business pitch, investors can determine whether or not to invest in that business.
- **To save time & money.** Proper financial planning for a business will help the entrepreneur better decide if they really want to go into a business. By sitting down to calculate the numbers, the entrepreneur can make sure they are getting the most out of their time and money.
- **To have a plan.** Many entrepreneurs may find that although no plan is perfect; any plan is usually better than no plan.

Important Aspects of Plan

- Think about who is reading the document
- Executive Summary extremely important
 - Be sure to explain product/service
- The document should be:
 - Clear and Concise
 - Grammatically and Mathematically Correct
- Format extremely important especially for competition

Template

**Insert Logo and/or
Company Name Here**

Table of Contents

- 1. **Company Overview** 1
- 2. **Product / Service**..... 2
- 3. **Marketing Plan**..... 4
- 4. **Financials**..... 5

Note: the students may choose to have subheadings to the Table of Contents as follows:

- 1. Company Overview 1
 - Mission..... 1
 - Company History 2
 - Company Goals 2
 - Company Objectives..... 2
 - Management Team..... 3

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Y.E.S. Guidelines for the **Company Overview** (5 points):

Includes a mission (what you want to do), company history, goals, objectives (where do you want your business to be three months from today), and the backgrounds and roles of the management team

A template for the **Company Overview** is shown below: (Section 1)

Insert Logo and/or
Company Name Here

1. COMPANY OVERVIEW

Mission
Write what you want your company to do (i.e. the business' purpose for existence) here.

Company History
If your company has a history, describe it here.

Goals
Discuss where you want your company to be in the future. Goals are general directions that are not specific enough to be measured. Think of goals as the treasure at the top of a stairway, and the objectives as the stairs.

Objectives
Discuss where you want the company to be one month from now? Objectives are more measurable, meaning you can look back and say: 'Did I achieve this?'

Management Team
Describe the background and past successes & achievements of each team member. Explain why this is the right team to make your Company work.

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Y.E.S. Guidelines for the **Product/Service Description** (5 points):

Describes the product, its features and benefits, and explains why the product is better than that of the competitors.

Y.E.S. Guidelines for **Innovation** (5 points):

Definition: turning ideas into new products or services for a business

A template for Product/Service Description & Innovation is shown below: (Section 2)

*Insert Logo and/or
Company Name Here*

2. PRODUCT / SERVICE

Product
Describe your company's product or service.

Features & Benefits
Describe the features and benefits of your product or service.

Competitive Advantage
Compared to your other competitors, why would a customer like your product/service better?

Innovation
Discuss how your product is innovative. Innovation is defined as "turning ideas into new products or services for a business." Examples of innovation include: Clorox's Toilet Wand, Apple's iPod, and 3M's Post-it Notes. Discuss how your product is innovative.

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Y.E.S. Guidelines for the **Marketing Plan** (5 points):

Defines who your target market is, the price of the product, where the product will be sold, and how the product will be promoted.

A template for the **Marketing Plan** is shown below: (Section 3)

Insert Logo and/or
Company Name Here

3. MARKETING PLAN

Target Market
Describe your typical customer. What is their age range? Are they male and/or female? Anything else you can say about your typical customer? How many of these customers do you think will buy your product?

Competitors
Who sells a similar product? Why do you think you can compete successfully against them? How is your product different from what your competitors have to offer (i.e. what is your competitive advantage)?

Product
A summary of the product or service from the previous section.

Price
How much does your product cost? How does this compare to what your competitors are charging? Talk about why your product/service is worth that price.

Place
Where and how can your product be purchased?

Promotion
How are you going to advertise your product? How are you going to sell your product?

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Y.E.S. Guidelines for the **Financials** (5 points):

Includes: (1) an income statement and (2) a statement of what funds you will need.

A template for the **Financials** is shown below: (Section 4)

*Insert Logo and/or
Company Name Here*

4. FINANCIALS

Income Statement

Example:

Jane's Lemonade Stand	
INCOME STATEMENT	
For 1 month	
Revenues:	
Total Sales Revenue	\$ 384
Total Revenue	\$ 384
Expenses:	
Lemonade mix	\$ 5
Styrofoam cups	\$ 10
A sign and markers to make the sign	\$ 5
Marketing Materials	\$ 20
Worker Expense	\$ 288
Total Expenses	\$ 328
Net Profit or Net Loss	\$ 56

Statement of Funds Needed

Example: The management of Jane's Lemonade Stand invested \$10 to start the business. In order to better market the business, Jane's Lemonade Stand is requesting a loan of \$30.

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APPENDIX 2: GLOSSARY OF TERMS / VOCABULARY LIST

Entrepreneurship: the process of running one's own business. Entrepreneurs are the people who own, operate, and take the risk of running businesses.

Expense: an outflow of money to another person or group to pay for an item or service. (Cash out.)

Income: the financial gain earned over a period of time.

Innovation: a new way of doing something. A new idea applied successfully to a business.

Loan: an arrangement in which a lender gives money to a borrower and the borrower agrees to repay the money, usually along with interest, at some future point(s) in time.

Net Profit (or Net Loss): the amount remaining after the total expenses are subtracted from total revenue. If the number is positive, the business made money and this is referred to as a *Net Profit*. If the number is negative, however, the business lost money, or generated a *Net Loss*.

Revenue: the entire amount of income before any deductions are made. (Cash in.)

Total Sales: the dollar amount generated from all products sold.

Questions

