

Junior Achievement International Web Classroom Module #1

An Overview of The One Page Business Plan®

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In this session...

- We will walk you through an overview of the One Page methodology.
- We will show you how this powerful document can be used in many different business and professional situations.
- You will learn how a One Page Business Plan can quickly and effectively communicate the essence of any business concept in less than 5 minutes.

What is a One Page Business Plan®?

The One Page Business Plan is an innovative approach to business planning that captures the essence of any business on a single page using key words and shorts phrases.

The One Page Business Plan™ Focus Action Results

Vision

Mission

Objectives

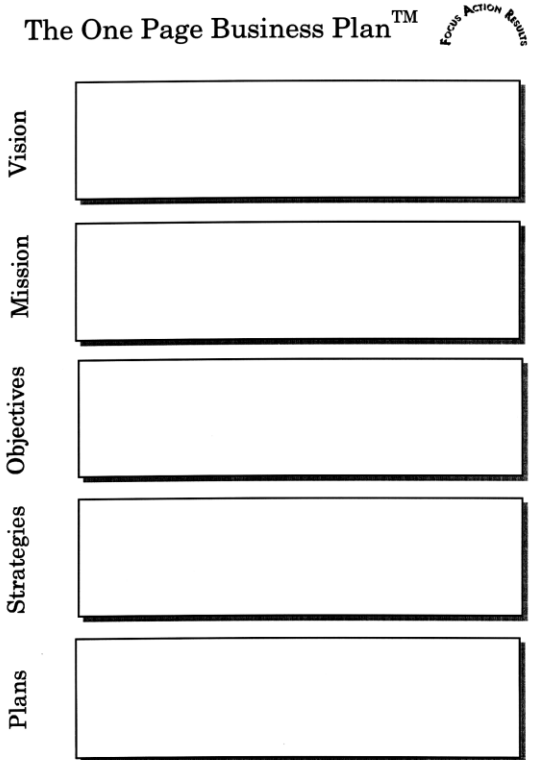
Strategies

Plans

There are five building blocks to a One Page Business Plan

- Vision Statement
- Mission Statement
- Objectives
- Strategies
- Plans

These five elements work together to create a complete blueprint for how to build a business.



Business Plan terms can be very confusing.

We have translated the standard elements of a business plan into five simple, universal questions.

- Vision: What are you building?
- Mission: Why does this business exist?
- Objectives: What results will you measure?
- Strategy: How will you build this company?
- Plans: What is the work to be done?

The best way to understand a One Page Business Plan...is to read one. In the next five slides you read a sample plan...

Colorado Garden Window Company

Vision Statement

“Within the next 3 years build Colorado Garden Window Company into a \$40 million home products company specializing in manufacturing and distributing custom and replacement garden windows and skylights.

“Vision statements describe the business we are building”

Mission Statement

Bring light, air, and
the beauty of nature into homes
through creative windows.

- *Colorado Garden Windows*

“Mission statements describe why the business exists and the benefit the customers will receive.”

Strategies

- Focus on upscale home developments & baby-boomer remodeling trends
- Build Colorado Garden Window into nationally recognized brand name
- Become vendor of choice by maintaining inventory of standard window sizes
- Control quality by manufacturing in-house

“Strategies are broad statements that describe how the business will be built and what will make it successful overtime.”

Plans

- Introduce new Scenic Garden Window at SF Products Show in March 01
- Hire new sales rep by April, focus on Signature Homes in Denver & Provo
- Phase in new packaging design by Mar 31st.

“Plans describe the work or projects that need to be completed in the next twelve months.”

Objectives

- Increase gross revenues 15% to \$17 million
- Achieve profit before tax of \$1.5 million
- Reduce COGS to 38% thru automation program
- Reduce Distribution costs to 4% of sales.
- Reduce inventory to 3.3 months by August 31st.
- Increase active store count to 4,500 by yr end
- Achieve 98% on time delivery w/ 98% accuracy

“Objectives define what we will measure. Well written objectives can be graphed because they contain a numerical value.”

The One Page[®] Methodology

One Page Plans are written based on a process of dialogue, analysis, brainstorming, and collaboration. The next few pages provide an overview of the simple, but powerful techniques we have developed that help entrepreneurs and business owners quickly write business plans that others can read and fully comprehend in less than five minutes.



The Vision Statement

What are we building?

Vision Statements answer these types of questions:

- What will this business look like in 1, 3, 5 yrs?
- What type of company is this?
- What markets do we serve?
- What is the geographic scope?
- Who are target customers?
- What are our products and/or services?
- What sales goal are we striving for?

Fill in the blanks Vision Statement

Within the next ___ years grow (company name)

into a \$___million (local, regional, nat'l, int'l) (type of company)

providing (description of products/services) to (describe your customer)

“We have learned that *fill in the blank statements* help entrepreneurs and business owners to quickly create their first draft...then it is much easier for them to edit the statement into their own words.”



The Mission Statement

Why Does This Business Exist?

Mission statements answer these questions?

- Who are our customers?
- What wants, needs, desires, pain, or problems do our product services solve?
- What is our unique selling proposition?
- What are we committed to providing to our customers?

Sample Mission Statements

Powerful Branding that Catalyzes Action

- Federal Express – The World on Time
- UPS – Moving at the Speed of Business
- eBay – The World's Online Marketplace
- Lenscrafters – Helping people see better one hour at a time.
- Sylvan Learning Systems – Success is Learned

Mission statements = good marketing
Great mission statements are short and memorable.



Strategies

How will we build this business?



Strategies answer these types of questions:

- What are our core products and services?
- What markets will we serve?
- How will we price our products?
- How will we create initial trial of our products?
- What are the sources of revenue?
- What will we make vs buy?
- How will we leverage technology?
- How will we attract/retain key employees?
- How will we exit the business?

Great strategy statements can be broad, yet create incredible focus.

Strategies are...

Broad statements, covering multiple years that:

- Set the direction, philosophy, values
- Establish guidelines for evaluating important decisions
- Set limits on what a company will do/not do.
- Provides a blueprint or roadmap for building and managing the company

There are many types of strategies...

| | | | |
|---------------------|----------------------|----------------|---------------|
| Growth | Positioning | Target Markets | Revenue Model |
| Product | Client Acquisition | Pricing | Initial Trial |
| Add-on Revenues | Staffing & Workforce | Technology | Internet |
| Strategic Alliances | Culture Mgt Style | Change | Exit |

Fill in the blank Strategies:

- Become internationally known for _____.
- Focus on _____, _____, and _____ markets.
- Build client base by _____, _____ & _____.
- Promote initial trial by _____, _____ & _____.
- Create add-on sales by _____, _____ & _____.
- Attract & retain key employees by _____ & _____.
- Use Strategic Alliances to _____, _____, & _____.

“Fill-in-the-blank strategy statements help the entrepreneur to quickly understand the concept of strategies, yet they still require extensive thinking and crafting to be well written.”



Plans

What is the work to be done?

Plans answer these questions:

- What specific actions and projects must the business complete to achieve its goals?
- Who is responsible for completing the work?
- When will the work be completed?

“Plans are significant business or infrastructure building projects...not someone’s job description.”

Sample Plan Statements...

- Complete formal bus. plan by 3/31/01.
- Raise seed round- family/friends by 5/31/01.
- Complete beta product by 10/31/01
- Introduce at Comdex in Dec. 2001
- Q1 '02 - Sales campaign in 4 major markets.
- Q2 '02 Rollout to next 8 markets
- Introduce line extensions @ Comdex 02



Objectives

What will we measure?



Objectives are very powerful:

- Provide quantitative pulse of business
- Focus resources on specific results
- Hold people & organizations accountable
- Defines success in measurable manner
- Measures end results of work effort
- Gives people/organizations specific targets
- Minimizes subjectivity & emotionalism

There are many types of Objectives:

| | | | |
|--------------|------------------|------------------|---------------|
| Sales | Profitability | Marketing | Operations |
| Quality | Customer Service | Human Resources | Manufacturing |
| Safety | Capacity | Public Relations | Investment |
| Cost Control | Efficiency | Community | Personal |

A simple formula for writing Objectives:

Verb + Noun + Date = Objective

- Achieve sales of \$50 million in 1999.
- Introduce 12 new products; 3 per quarter.
- Reduce Cost of Goods Sold to 38% by 2Q.
- Complete eng. study #213 by March 31
- Increase mfg. capacity 50% by Sept. 30



This completes our brief overview of The One Page Business Plan Methodology.

In the Jr Achievement Web Classroom we devote one entire module to learning more about each of the five elements in The One Page Business Plan and how they work together to create a powerful blueprint for building a business.

One Page Plans are very flexible and can be used for a variety of purposes.

- The complete plan for a small company
- Summarization of a traditional plan
- Plan for profit center, dept, program, project
- A document to summarize ideas for a new business
- Planning tool for a major project/program
- Presentation tool
- Personal/professional plan



Here's a few additional thoughts
about business plans and planning...

Do not rush the process!

The greatest value in creating a plan is not the final document. It's the communication, prioritization, focus, clarity and learning that make the process worthwhile.

Business Plans Communicate a lot...

- The choice of words and phrases in your business plan speaks volumes about you. Choose your words carefully.
- Your business plan will telegraph what you know about your business, the industry, and your competitors. Be certain your words describe your knowledge.
- Success is always dependent upon other's understanding the essence of one's business, project, ideas and concepts.

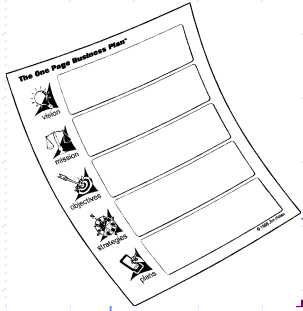
A disclaimer...

A One Page Business Plan is not a substitute for a well-written, complete business plan of 20 – 50 pages in length that fully documents the business opportunity, the markets, products , business model, the management team as well as the financials.

But if one must write a complete business plan, it is a much easier to do if one has completed a well-crafted One Page Business Plan first.

Final thought...

If you don't get the words right... You might build the wrong business! And, you may never get the numbers right!



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This completes your tour of the
prototype for Module #1.

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