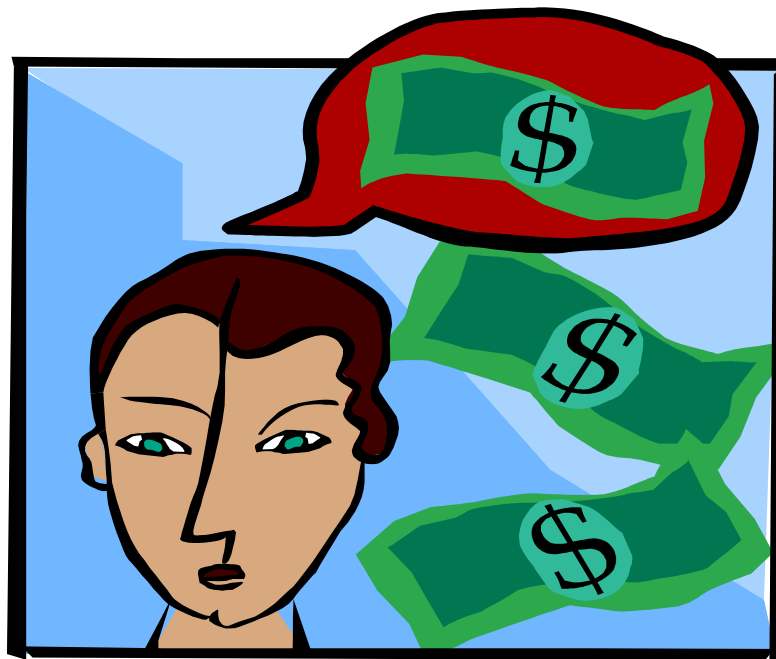


Turn an Idea Into a Business



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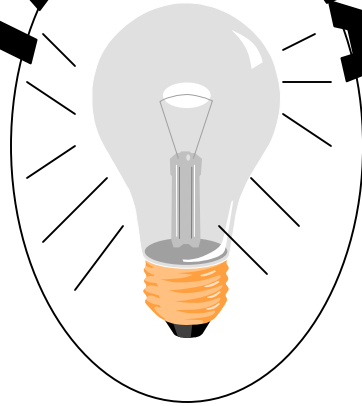
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“An idea is a point of departure
and no more.” Pablo Picasso



THE IDEA



EVALUATION

IDENTIFICATION

THE PROJECT CYCLE

DELIBERATION

OPERATION

IMPLEMENTATION



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The 4-Ws

- What you are proposing
- Who you are (emphasis on partnerships)
- Why you should be funded (results)
- When (project timeline)

Keys to Success

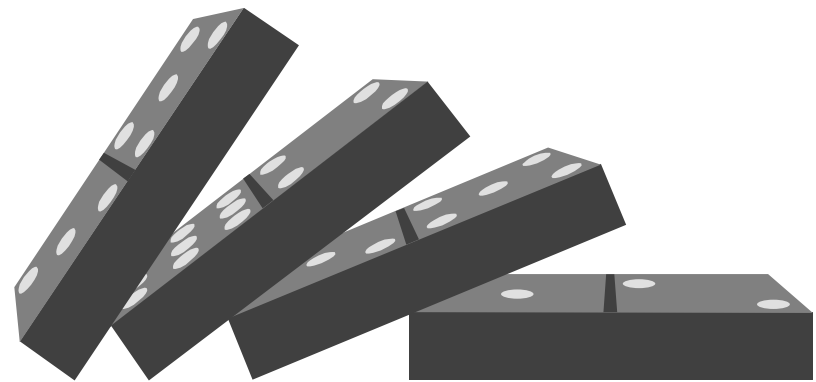
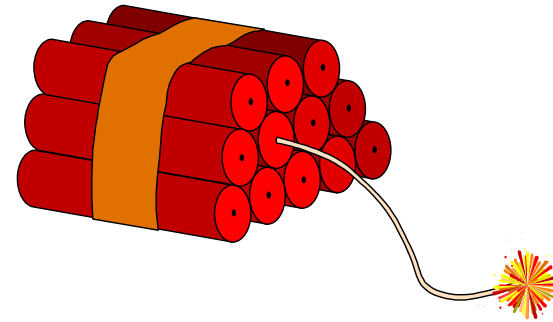
- Strong, Committed Leadership
- A Sound Business Idea
- A Clear Vision
- Local & State Support
- “Skin on the Table” – Owner investment
- Access to other capital
- Strong Communication
- Patience
- It’s all about the marketplace



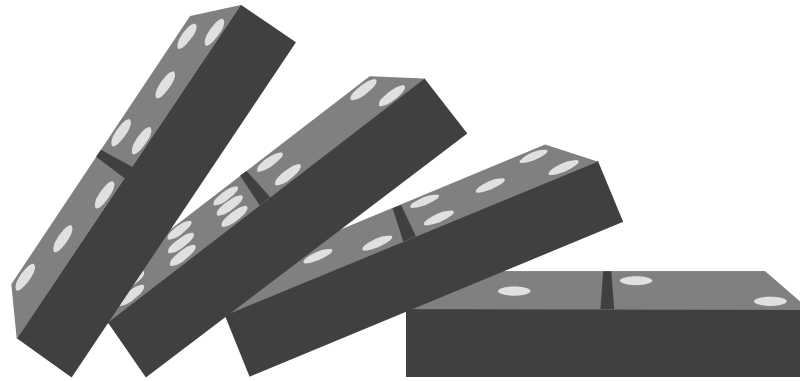
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Why Businesses Fail

- Lack of Sufficient Operating Capital and Inability to Obtain Additional Credit



Why Businesses Fail

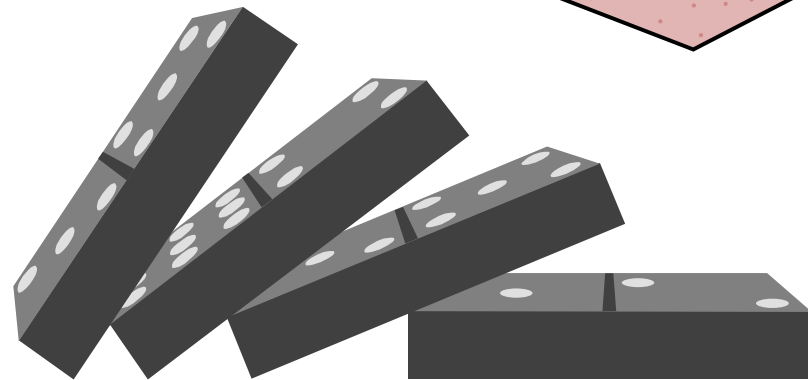


- Inexperienced and Inefficient Management



Why Businesses Fail

- Unsatisfactory Sales Outlets
- Competition
- Low Prices



Why Businesses Fail

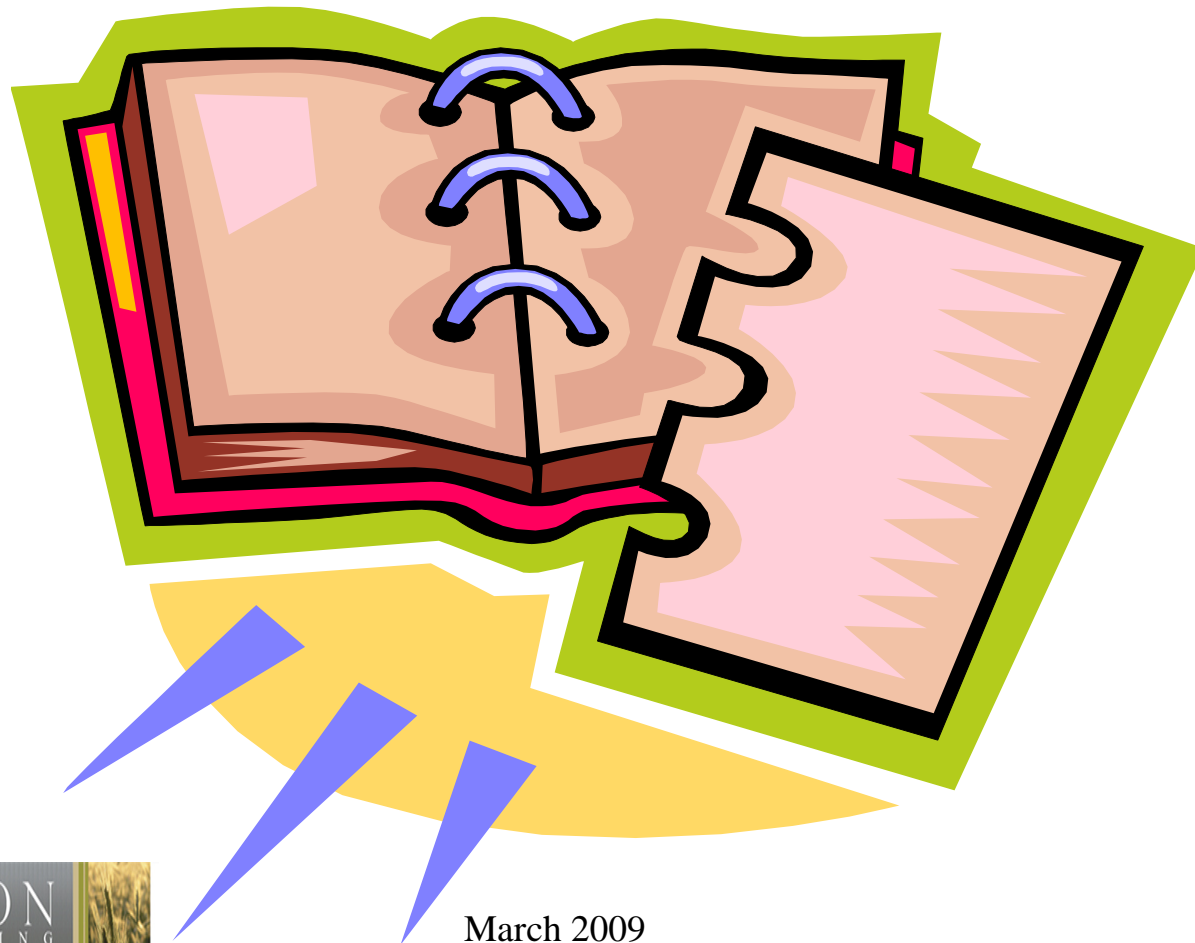
Research and Development

- An Achilles Heel for small businesses
- Finding the right product/market takes R&D
- Start-up enterprises need capacity to make mistakes
- Acquisition projects may rely on new product development

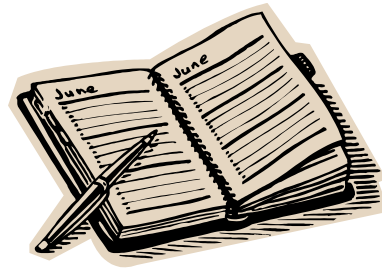
Conclusion

- Understand the business environment.
- Know what you want to do.
- Keep it simple
- Listen to outside advice
- Partnerships are Critical

The Business Plan



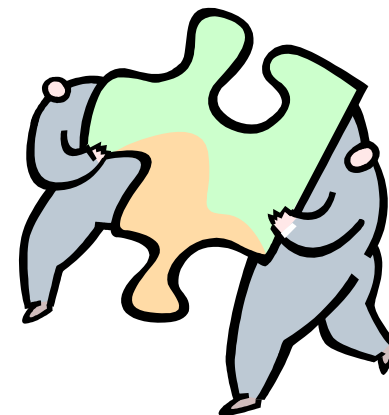
Business Plan



“A business plan is a written description of your business's future.”

What should the plan be

- Comprehensive
- Bring the pieces of work together
- Readability
 - ease of reading
 - good organization
- Referenced and well documented



Four Parts to B-Plan

- The Description or Concept
- The Marketplace
- The Financials
- The Management



The 4 parts explained

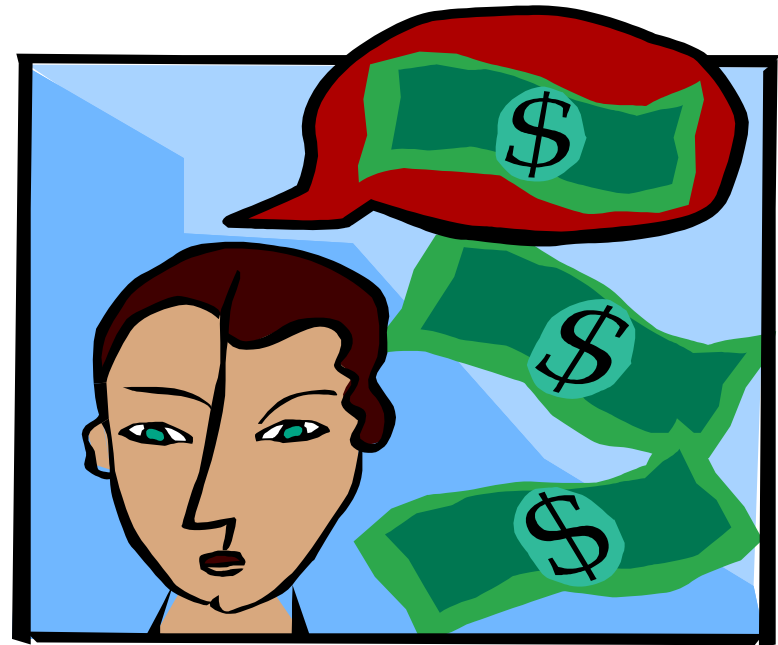
- What is your business?
- How will you sell your product ?
- Will you be able to make money?
- Why should someone believe what you say?

Business Description

- Explain what is your business
 - The industry
 - The business structure
 - Ownership and legal structure
- Tell why this business is a great idea
- Use numbers- profits, volume, sales
- **BE SPECIFIC**

Market Analysis

- Distribution Channel
- Market Share
- Pricing
- Target Market
- Competitive Analysis
- Competitive Response



Cash Flow Estimates

- Income and Expense Stream
- Start Up Costs
- Realistic Projections
- Predatory Attack and Options
- Alternatives: Plans “B” and “C”

Financials

- Sources of Cash
- Seasonality of Operations
- Competitive Attack
- Adequate Equity
- Operating Line Adequacy
- Debt Structure

Management

- Adequacy of Proposed Management to This Business
- Management History and Experience
- Proposed Salary and Benefits

Feasibility Study vs. Business Plan

- a feasibility study is an **independent** analysis of a business opportunity
- a business plan is **your plan** for the operation of a business
- *Often a feasibility study- creates the framework used for a business plan*



Questions:

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