

A business plan for precision auto detailing

[Business](#)



A business plans describe how to start a business, grow an existing business, finance a business, and how to manage and market a business at. It addresses management, location, advertising, and financing. A business plan is an operating manual.

Why Precision Auto Detailing needs a business plan.

Precision's business plan should minimally cover marketing. Chad and Kyle should focus on financing and profit from new marketing opportunities. Precision's business plan should focus on how much money the company needs, what the money will be used for, and how lenders will be repaid?

What the business should plan include

According to the Small Business Administration, the essential elements of a business plan are: Executive summary, Market analysis, Company description, Organization and management

Marketing and sales management, Service or product line, Funding request, Financial statements, Appendix

The executive summary for Precision Auto Detailing is the three paragraph story of how Chad and Kyle purchased and grew the business. It would also state the goal for additional financing and growth plans.

The market analysis describes the auto detailing industry. It should also include a detailed analysis of local competitors, describing how profitable those businesses are in comparison to Precision. The market analysis will explain why and how Precision Auto Detailing has gained a competitive edge in the local auto detailing market. Finally, it must convince a lender that a loan will increase the company's competitiveness and bottom line.

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The company description says that Precision Auto Detailing is in business because, then describes all the reasons - markets and customers the company serves and what are the specialties.

The organization and management section is where Chad and Kyle put their resumes. It details who is the primary financial and operation manager is and how they divide those duties. This section shows in detail how their personal work has made Precision grow and be as successful as it currently is.

The marketing and sales management section describes Precision's's advertising plan. It should include radio and television advertising, business cards, and brochures.

The service description section show what Precision's customers get for their money. It should define what auto detailing is, including a description of detail services that they may not offer now but plan to in the future. A secondary section should describe services that can be offered once the bedliner equipment is purchased.

The funding request section will formally request a loan of \$30, 000 showing a breakdown of what will be purchased and how the money will be used. The breakdown should address working capital to cover increased personnel, advertising, and operating costs. This section describes how the lender how they will be repaid and requests terms of repayment. This section is a way to negotiate loan or other forms of financing.

The financial statements section includes Precision's financial statements - a balance sheet, a profit and loss statement, and a statement of cash flow.

Financial projections showing increased sales, operating expenses, and higher profits even with the loan payment should be included.

The appendix section will provide any additional items that s specific lender requests including, but not limited to equipment purchase orders or brochures, tax returns, credit reports, reference letters, licenses, and leases.

What do bankers, other lenders, or investors look for

What lenders will look for is a good investment - one that they will get their money back on. Lenders want to know if Chad and Kyle can manage a rapidly growing business. Lenders will also want Chad and Kyle to consider multiple financing plans and include them in their financial projections.

Advice for presenting a business plan to a banker

The best advice is to know the business plan in detail and be able to give a description like Kyle did at thefamilygathering. They must be able to defend their financial projections and answer questions about other options not included in their plan. A PowerPoint presentation would be good to present to an investment group or loan committee. If the business plan is going to a bank with an application, they should provide at least copies, and . pdf or word formats upon request.

Conclusion

There are software programs and internet resources to help business owners write business plans. They can also find help through their state, county or city economic development office. An accountant can help them prepare financial statements and projection. Or they can use software like Quicken
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or MS Money. Through the business plan they should be able to communicate a before and after financing picture of Precision Auto Detailing.

References

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