Muskegon Retail launch competition

# Creating the plan

The business plan is primarily a tool for your own use to launch and grow the business. It should be as short and simple as possible, and should fit the size and difficulty of your business.

In preparing your plan for a retail establishment, you should focus on some main questions:

* Why do I want to do this? How am I positioned to be successful?
* Who are my customers, and how do I attract them quickly and keep them coming back?
* What makes my product or service noticeable in a competitive retail market?
* What assumptions or beliefs are critical to the success of this plan?
* What are the known risk factors or unknowns?

# Background

Briefly describe the business.

Why do you want to be in this business, rather than a different business?

When did you start working on this business?

Has the business been registered (as DBA, LLC, C Corp, etc.), and if so, when?

# Your Product

General description of the products and/or services offered. Not more than half a page.

## Complements

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| What other products do people use with your product? | How much do customers pay? | Is the price trend increasing or decreasing? | Is the demand trend increasing or decreasing? |
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# Customers

## Paying Customers

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| Identify customer segments who will pay for the product. | What distinguishes them? (location, demographics, economics, psychographics) | What problem do they need solved? (What’s missing in their current experience?) | Why don’t existing products completely solve that problem? (barrier to satisfaction) |
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## Needs Identification

Based on the above, what are the key three to five core *needs* that your customers have?

Customer Experience:

* “Wow”: Will this be a Wow moment?
* “Expect It”: Was it a basic expectation?
* “Performance”: If I do it better, will the customers be happier?

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| Customer Need | Customer Experience |
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# competitive assessment

## Regulatory Environment

Are there any federal, state or local regulations that impact the product or service that you offer, or how you offer it?

## Key unknowns or Risks

Are you doing anything different with this retail experience than you have done in the past?

What are the unknowns or risks in bringing this retail experience or product mix to downtown Muskegon?

## Competitive Assessment

Instructions:

1. Find one or two other main competitors.
2. List the key (5 to 10) customer requirements or needs (e.g. “low cost,” “high speed,” etc.)
3. Assess your store or product mix (or service) against each competitor, using “same,” “better” and “worse.”

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| Customer Need | Competitor A | Competitor B | Me |
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### Key advantages

Based on the competitive assessment, what are your key strengths?

### Areas for improvement

Based on the competitive assessment, what needs to improve to be competitive or best-in-class?

## on-going Market research plan

How will you collect data on customer usage and needs, market size, etc.?

# Revenue model

Describe how you will make money.

* Selling memberships
* Selling physical product in a retail space
* Online sales through Amazon
* etc.

# Operational plan

## Operating Hours

When will you be open for business? Plans for customer service should be included.

## Human Resources

### Management Team

Give a short bio of your management team, focusing on what value they bring to the company and what role they play in the company.

### Other Personnel

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| --- | --- | --- |
| Position or Role | Date First needed | FTEs needed[[1]](#footnote-1) |
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## Insurance Requirements

What insurance coverage do you need? Liability, property, worker’s compensation, etc.

## space and Asset Requirements

What fixed assets or space layout do you need to prepare your storefront? How much square footage do you need for office and retail space? What about equipment?

## Basic Operational Workflow

What is your sales process? How do you manage your inventory? Considered at a high level, these are the activities that you *must* complete to complete the sale and receive payment. Below is a very simple example outline.

1. Customer contact
2. Sales strategy
3. Check out
4. Inventory restocking
5. Bill payment

# Financial plan

These will be used to determine if your business model makes financial sense and to provide you with an early-warning system. Creating a pro-forma P&L statement, cash flow statement and balance sheet also sets you up to keep track of your money when you start your business.

## 12-month projected cash flow

Cash flow is what determines if you can pay your business’ bills, and how much starting cash you need to keep the doors open until you are cash flow positive from sales.

## 12-month profit and loss projection

A profit and loss statement, or income statement, lets you know if your products and services are profitable when everything is added up.

## Opening day balance sheet

A balance sheet gives you a snapshot of your business’ liabilities, assets and owner equity. Once you have estimated your startup expenses, you can estimate your opening day balance.

## Break-even analysis

A break-even analysis is a “what-if” tool to compare your business’ expenses with revenues. It allows you to understand what conditions will lead to you making money rather than losing money.

1. FTE: Full time equivalent. [↑](#footnote-ref-1)