



What Is a Business Plan?

By Candace L Moon, The Craft Beer Attorney

In short, a business plan is a document setting out a business's future objectives and strategies for achieving them that also serves as a structured process to test ideas to determine if they are feasible and financially attractive.

The five key elements of a business plan are:

1. Business goals,
2. Reasons why those goals are obtainable,
3. Plan for reaching those goals,
4. Data backing the uniqueness of the products and services to be sold, and
5. Supporting information about the organization and team attempting to reach those goals.

The most important thing to understand about a business plan is that you are creating it for yourself and your business partners. Your business plan is your most important decision-making resource about your business. Yes, the bank and other lending people will want to see it. The reason they want to see it is to be sure that you have thought all the way through this proposal, making reasonable assumptions with a valid product or service, before they invest in your business future. If they do not believe that it is solid, you might want to re-think your business approach.

A good business plan integrates all business aspects and clarifies how one part affects the other. The two most critical aspects within the plan are the Financial section and the combination of Operating, Marketing & Organizational sections. The Financial information will help to determine if your business is financially feasible, while the Operating, Marketing, and Organization sections help you to better understand everything involved to see if you really want to do this.

Your process for business plan development should be as follows:

1. Develop your business idea & vision,
2. Understand your potential market,
3. Develop product & marketing plans,

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4. Determine operating & organizational structures,
5. Discuss & test ideas with advisors,
6. Develop financials & determine viability of idea,
7. Secure Funding, and
8. Update.

Because your business plan is a continually changing reflection of your vision, goals, and operational approaches, you should be re-evaluating the full impact of each change as it ripples through each of the different and connected sections you outline. Some seemingly simple changes in direction can significantly impact your projected business viability.



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