

**A Business Plan**  
**For**  
**[Insert your organization name here]**

Prepared by: [Insert name here]  
Email Address: [Insert email address here]  
Date: [Insert date here]

This is a business planning template designed to create, or update an organization's plan, for the next five years.

Specificity – facts and data – are better than general statements. Be as specific as possible in researching all aspects of business planning. Two keys to this paper are the quality of **research** and the **defense** of the arguments. Needless to say, the paper should be well written.

Use the headings as they are written. If your business plan does not require data that fits a specific heading, indicate that this heading is not necessary for your plan. Defend the need not to provide data for it. If there are additional subjects of interest you will to include, add a subheading and provide the information.

Note: This paper should be double-spaced. Delete reference material provided and populate each section with your own information.

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## **1 Section 1: Executive Summary**

Summarize the business plan, including mission, company overview, product and or service offerings, market analysis, marketing plan, financial plan, capital investment plan, and funding needs in one to three pages. Explain your rationale for whether to proceed or not and how you would proceed with this business.

Note: This is written last for obvious reasons.

## **2 Section 2: Where we are?**

This section describes where we are as an organization – a new business startup or an established company, a for-profit company, a not for-profit organization, or government agency.

### **2.1 Organization Information**

Describe the organization in terms of its name, legal form of business, business description, location, government regulations, management team, mission and values, structure, goals, objectives, and strengths and weaknesses.

#### **2.1.1 Organization Name**

Provide the legal name of the organization as listed on the registration with the local government agency.

#### **2.1.2 Legal Form of Business**

Describe the legal form of business such as Partnership, Corporation, Limited Liability Company, or Sole Proprietorship.

#### **2.1.3 Business Description**

This section should describe the type of business in terms of a manufacturing, merchandizing, or services business; the purpose of the business; the hours of operation; whether it is a new business, expansion, takeover, or franchise; and the type of products and / or services offered.

#### **2.1.4 Business Location**

Provide the physical addresses of the primary business along with any remote locations. Also indicate if the business will primarily be electronic or physical. Finally, consider the type of physical space needed – office complex, shopping mall, or home business among other possibilities and is this physical space near your primary customer base?

#### **2.1.5 Applicable Government Regulations**

List and describe any applicable government regulations such as federal and state permits, licenses, and so on that are required for operations.

#### **2.1.6 Management Team**

Describe your management team in terms of officers, directors, and key employees.

### **2.1.6.1 Officers, Directors, Key Employees**

List names and provide a brief job description of each officer, director, or key employee.

### **2.1.6.2 Management Team Backgrounds (optional)**

Relate the management team members' background to their resume. Provide a current resume for each officer, director, and key employee in the Supporting Documents section.

Note, while this information is optional in this paper, a lending institution may require this information be available.

### **2.1.6.3 Board of Directors (optional)**

Summarize the background of each member of the Board of Directors (if any) and provide a current resume in the Supporting Documents Section.

Note, while this information is optional in this paper, a lending institution may require this information be available.

## **2.1.7 Mission / Values / Statement**

Describe your organization's mission, shared vision, values, goals and objectives.

### **2.1.7.1 Mission Statement**

Three primary components of a mission statement are as follows:

- Specifications of the basic product or service
- Specification of the primary market
- Specification for the principle technology for production or delivery

Other possible descriptive components that may be included in a mission statement are social or environmental issues, customer considerations, and product or service quality.

Keep it fairly simple. If no one can remember the organization's mission statement, then the organization doesn't have one that means anything to anyone.

### **2.1.7.2 Organizational Values**

Organizational values are essential to the success of an organization. Briefly list and describe the values of the organization and why they are important to it. Some examples of values include honesty, knowledge, truth, collaboration, loyalty, success, productivity, workmanship, and profit.

### 2.1.7.3 Signposts

List and describe key signposts along the way to becoming a successful organization. For example, \$1,000,000 in sales, customer service targets, sales targets, and so on.

### 2.1.8 Organizational Structure

An organizational structure is created to help the organization achieve its goals. Items to consider in describing the organizational structure include the degree of vertical specialization (hierarchical levels in the organization), the span of control (how many people report to each manager), the degree to which the organization is centralized or decentralized, and the level of horizontal specialization.

### 2.1.9 Strengths and Weaknesses

List and describe the key strengths and weaknesses of the organization. Remember, strengths and weaknesses are internal to the organization.

A **strength** is a resource advantage relative to competitors and the needs of the markets a firm serves or expects to serve. It is a distinctive competence when it gives the firm a comparative advantage in the marketplace. Strengths arise from the resources and competencies available to the firm.

A **weakness** is a limitation or deficiency in one or more resources or competencies relative to competitors that impedes a firm's effective performance. Weaknesses make the organization vulnerable competitively and may make the pursuit of certain options impossible.

The three basic types of resources are (1) tangible assets; (2) intangible assets; and (3) organizational capabilities.

**Tangible assets** include financial, physical, information, applications, and technology; **intangible assets** include organizational structure, knowledge, skills, culture, morale, and learning capabilities; and **organizational capabilities** include R&D, lean manufacturing, and innovation.

Stewart (2001, p. 12) wrote, "Intellectual capital (IC) is knowledge that transforms raw materials and makes them more valuable." Raw materials may be either tangible or intangible.

**Intellectual capital** is made up of human capital, organizational or structural capital, and external relationship capital.

**Human capital** consists of skills, knowledge, education, and competence.

**Structural or organizational capital** includes both intellectual property (IP) and internal relationship or infrastructure capital. IP includes patents, copyrights, designs, and trademarks. **Internal relationship capital** includes corporate

culture and values, management processes, information systems, strategies, databases, networks, and software.

**External relationship capital** includes both customer and supplier relationships, joint ventures, licenses, and franchising arrangements.

From a knowledge management perspective, structural or organizational capital is mostly explicit knowledge while human and customer capital are mostly tacit knowledge.

Intangible assets, in many companies, are worth much more than tangible assets. Stewart (2001, p. 18) made this reference to IC and Porter, "Intellectual assets have become more important than any other because only by means of knowledge can companies differentiate their work from their competitors'."

Think about how intellectual capital can be applied in organizations, as a strategy, and to help build a sustainable competitive advantage. Intellectual capital can be developed or created, stored, updated, transferred, and applied to business processes, products, and services. Frequently the term "knowledge management" is used to mean the explication of intellectual capital using information technology.

Two approaches to identifying strengths and weaknesses are Resource Based View and Value Chain Analysis methods.

Note: Identified strengths and weaknesses are used in SWOT analysis.

#### **2.1.9.1 Strengths**

Describe the key two or three strengths of the organization.

#### **2.1.9.2 Weaknesses**

Describe the key two or three weaknesses of the organization.

### **3 Section 3: Where we are going?**

This section describes what we are going to offer and to what customers. This section answers the question, where are we going as an organization?

#### **3.1 Goals and Objectives**

Goals are broad targets that the organization intends to accomplish over the next 2 to 5 years. Goals are functionally decomposed into measurable and time-bound objectives. Provide a list and description of around two to four goals in this section.

Goals are specific for each organization and represent the results of a match between **strengths** and perceived **opportunities** in the industry. These are



usually quantifiable and measurable for the period considered. Each goal should have at least two supporting objectives.

Objectives should be clearly stated. You should **defend** (rationales – the why's or benefits, and implications – what the organization will do as a result of adopting the objective) which options you select.

Objectives are generally established in seven areas:

- **Profitability** (no profits, no long term viability)
- Productivity
- Competitive position
- Employee development
- Employee relations
- Technological leadership
- Public responsibility

These objectives can be collapsed into short-term (annual) objectives and both should have the following characteristics:

- Acceptable
- Flexible
- Measurable
- Inspiring
- Suitable
- Understandable
- Achievable

Examples of objectives are.

- Increase market share, e.g., X% per year in Y years.
- Below cost leader with highest quality product in the X industry.
- Increase revenues X% in Y years.
- Reduce debt X% per year for the next Y years.
- Realize 10% of revenue via e-business activities each year for the next 5 years.
- To be the only competitor in this industry in five years.
- To reduce our full-time staff to 10% of our existing base and to outsource and contract the rest within five years.
- To reduce our real estate holdings to 5% of the number we currently have over the next 6 years.

An example of an objective that is rationalized with implications listed.

Objective

Increase profits by 1% in each of the next 5 years.

#### Rationale(s)

Our industry is expanding rapidly. If we don't increase profits, we will lose our competitive advantage.

#### Implication(s)

Change organizational focus from the product to the customer.  
Expand our sales and sales support organizations

### **3.2 Economic Directions**

Describe the economic conditions with a focus on those issues that will affect the demand for the company's product and contribute to the cost of producing and distributing it. For example, consider conditions such as economic growth, inflation rates, interest rates, and employment statistics.

### **3.3 Product / Service Strategy**

Describe the organization's products and services strategy in terms of the current products and services, planned product and service development, and production / delivery.

#### **3.3.1 Current Product(s) / Service(s)**

List and describe current products and services along with an estimate of where each product or service is in its lifecycle.

##### **3.3.1.1 Description**

List and describe the current products and / or services. Indicate if any product is protected under any of the following: patents, copyrights, trademarks, and so on. Also, list and explain useful features and benefits to customers and any unique features of the product or service.

##### **3.3.1.2 Lifecycle**

Describe each product and service in terms of its expected life-cycle. Include upgrades and revision paths.

#### **3.3.2 Product / Service Development**

Describe product and service development programs and the amount of money to be spent on development. If product development is outsourced, explain why and what the expected benefits are.

#### **3.3.3 Production / Delivery**

Describe the production process of current and expected products and how they will be delivered to the marketplace.

### **3.4 Customer Analysis**

Describe the organization's customers in terms of their attitude, demographics, psychographics, and geography to obtain a composite picture.

### **3.4.1 Attitude / Behavior**

Describe your customers in terms of their attitude toward purchasing such as innovator, early adopter, early majority, late majority, or laggard. This is referred to as the diffusion process. Other considerations include user status, occasions, loyalty, and readiness.

### **3.4.2 Demographics**

Describe your customers in terms of age, income, sex, family size, family lifecycle, generation, social class, education, and occupation.

### **3.4.3 Psychographics**

Describe your customers in terms of lifestyle, needs, interests, power, position, personality and so on.

### **3.4.4 Geography**

Describe your customers in terms of geographic region (e.g., Pacific Northwest, East Coast, New England), city size, density (urban, suburban, rural), and climate (northern, southern).

## **3.5 Market Analysis**

Describe the organization's market analysis in terms of the industry, market segment, and competition.

### **3.5.1 Industry Description**

Provide a brief description of the industry in this section. For example, the overall market is the information technology market but our focus is on the business software sub-industry.

### **3.5.2 Industry Analysis**

Provide an assessment of the expected growth in your industry, key trends, and what the market potential in terms of dollars will be in 3 years, 5 years, and 10 years. Describe the key threats and opportunities in the industry over the next 5 years.

### **3.5.3 Market Segments**

Describe the major market segments, how the market is distributed among the major competitors, what the market share gain / loss is among these competitors, and forecasted growth and opportunities. Focus on the market segment your organization is in, but briefly cover the other market segments.

### **3.5.4 Competition**

Describe the organization's primary competitors with respect to the four P's: products / services, place, price, and promotion; along with their strengths, weaknesses, strategies, market share, reaction patterns, ease of entry into the industry and rank order them.

The Small Business Administration suggests five questions to consider.

- Who are your five nearest direct competitors?
- Who are your indirect competitors?
- How are their businesses: steady, increasing, decreasing?
- What have you learned from their operations? From their advertising?
- What are their strengths and weaknesses?
- How does their product or service differ from yours?

### **3.6 Business Partner Analysis**

Good working relationships between organizations and their business partners are necessary for profitability and long term growth. List and describe key outsourcers, suppliers, and any other alliances you may have and your relationships with them regarding business operations. Hint: May want to consider such issues as supply chain management, virtual organization, international operations, and open source innovation.

A few questions to consider regarding suppliers are:

- Will supply sources of raw materials be reliable?
- Are supplier's prices competitive?
- Which suppliers can be expected to respond in emergency situations?
- Are suppliers going to be around for the long term?
- Are suppliers continually upgrading their products and services to the benefit of their customers?
- Are there any forecasts of shortages or cost increases?
- Who will be my organization's suppliers?

A key element to describe in this section is the type of business partners needed to provision the organization and some idea of how and where to find them within the time frame needed by the business.

### **3.7 Labor Resource**

There is currently a "war for talent" as intellectual capital is the primary means organizations can truly distinguish themselves and to stay competitive. Some possible questions to consider in this area are:

- Are there any skills shortages in our industry?
- Are schools and colleges available to meet new skill demands?
- Are talented people leaving our geographic locations?
- Is the labor pool growing or shrinking?
- What are the primary trends and their implications?
- What types of skills does my organization need right now to be competitive?

The key element to describe in this section is the type of skills and numbers of people needed to staff the organization and some idea of how and where to find them within the time frame needed by the business.

### **3.8 Capital Investment Plan**

Describe the organization's capital investment plan in terms of IT infrastructure, required applications, and facilities and equipment. Large illustrations or diagrams may be provided in the Supporting Documents section and referred to in the sections below.

#### **3.8.1 Infrastructure**

List, describe, and illustrate the information and communication technology infrastructure used to support the organization. Describe the expected upgrade path, its currency, and ability to support new business opportunities.

#### **3.8.2 Applications Required**

List and describe the applications required in support of the organization, their upgrade path, and their contributions toward operational effectiveness, and their ability to support new business initiatives. Areas that deserve careful consideration are electronic business applications such as supply chain management and customer relationship management along with the development of supporting Web sites. In addition, many internal business processes could be totally or partially automated via software and the use of a supporting intranet.

#### **3.8.3 Facilities and Equipment**

List and describe any facilities and equipment requirements (office space, furniture, manufacturing equipment, and so on.) for the organization.

### **3.9 Risk(s)**

Evaluate and assess your organization's exposure to risk. Some criteria to consider are possible threats such as the bargaining power of suppliers, bargaining power of customers, competitive rivalry, substitute products, new entrants, and negative changes in the external environmental factors social / cultural, governmental or legal, economic, demographic, ecological, or technological issues related to the organization. In addition to threats, internal weaknesses such as low profitability, lack of management and technical skills, obsolete business processes and technology, and inefficient business processes.

### **3.10 Threats and Opportunities**

List and describe the key threats and opportunities facing the organization. Remember, threats and opportunities are external to the organization. Remote environmental analysis and Porter's Five Forces framework are some tools useful in identifying threats and opportunities.

Note: Identified threats and opportunities are used in SWOT analysis.

#### **3.10.1 Threats**

List and describe the key two or three threats of the organization.

### **3.10.2 Opportunities**

List and describe the key two or three opportunities of the organization.

## **4 Section 4: How we will get there?**

This section describes the outcome or strategies selected from the SWOT analysis, outsourcing, the marketing plan, the financial plans for the next five years, security planning, and disaster recovery.

### **4.1 SWOT Analysis**

Summarize the organization's key strategies developed as an outcome of a SWOT analysis. Refer to the SWOT Analysis Worksheet in the appendix.

Note: The SWOT Analysis Worksheet should be used to detail the identified strengths, weaknesses, opportunities, and threats along with the identification of some possible strategies.

### **4.2 Outsourcing Planning**

Describe any outsourcing plans for infrastructure support, software development, or other business functions such as call centers, order processing, research and development, product development, and manufacturing. Briefly describe how this would be managed.

### **4.3 Marketing Plan**

Describe the organization's marketing plan in terms of marketing objectives, marketing strategies, place (distribution channels), promotion (advertising), and pricing.

#### **4.3.1 Marketing Objectives**

Provide the key two or three marketing objectives to be accomplished in this planning period. If marketing objectives were developed in section 2 above, simply reference them. Otherwise, list the marketing objectives in this section.

#### **4.3.2 Product Sales Strategy**

Describe your sales strategy in terms of pricing, discounts, methods of selling, product differentiation, and quality to achieve the marketing objectives.

#### **4.3.3 Place (Distribution Channels)**

Describe your organization's distribution channels. Consider customer profiles, online selling, geography, distributors, direct sales, mail order, telemarketing, and so on.

#### **4.3.4 Promotion (Advertising)**

Describe your organization's advertising strategy in terms of its marketing objectives, media usage, advertising campaigns, promotions, sales support materials (including Web sites), and advertising budget.

#### **4.3.5 Price**

Describe how your organization sets prices for each product and service and how the organization might respond to price cuts in the competitive market.

#### **4.4 Security**

Briefly describe any security plans required to ensure protection of assets such as product data, communications technology, and plant and equipment as well as personnel. Security plans should consider such elements as firewalls, encryption, virus checking, operating system security, and physical security.

#### **4.5 Disaster Recovery**

Briefly describe plans for potential disaster and recovery. Consider what might happen, for example a major earthquake, or fire, a flood, or terrorist incident and how your organization would respond in order to recover from it. Considerations should take into account communications centers, computing infrastructure, plant, equipment, buildings, and staffing.

#### **4.6 Financial Plan**

Describe the organization's financial plan in terms of financial analysis and capital requirements.

##### **4.6.1 Financial Analysis**

This section will **summarize** and **describe** the financial statements provided in the Supporting Documents section in narrative form. State any **assumptions** in developing the projected statements. Required financial statements include:

- Startup budget
- Projected income statements for the next five years, the first year by month and years two through five summarized by year.
- Projected balance sheet statements for the next five years, the first year by month and years two through five summarized by year.
- Projected break-even analysis
- Projected Statements of Changes in Financial Position for the next five years, the first year by month and years two through five summarized by year.

##### **4.6.2 Capital and Operating Requirements**

Describe the organization's capital requirements in terms capital and operating requirements and funds used.

###### **4.6.2.1 Capital Requirements**

Describe what the capital requirements are for each of the next five years.

#### **4.6.2.2 Operating Requirements**

Describe the operating working capital requirements which are accounts receivables plus inventory minus accounts payable for the next five years.

#### **4.6.3 Funds Used**

Describe how funds obtained from loans or investments will be used.

### **4.7 Exit Strategy**

This section should include the following types of information:

- The time required to payback loans.
- The time required for investors to convert their equity.
- Describe how repayment will be accomplished, for example, investors' equity will be converted to cash via offering stock or a sale of the business.

## **5 Section 5: Funding Needs**

This is the time and place to ask for a loan, if one is required. For example, based on the attached documents, including financial projections, we believe this to be a sound business venture. In order to start, we are asking for \$20,000 by March 2003.

On the other hand, perhaps the new venture will be self-funded, or money will be borrowed from parents and friends, or funding will be obtained from sales of securities.

Briefly list and describe the sources of funds and the amount required.



## **6 Section 6: Appendix**

### **6.1 Supporting Documents**

Provide required supporting documents in this section.

#### **6.1.1 Tax Returns of Principals (Last 3 years)**

#### **6.1.2 Purchase or Lease Agreements for Property**

#### **6.1.3 Required Licenses or Related Documents**

#### **6.1.4 Résumé's**

#### **6.1.5 Financial Statements**

Note: This section may simply refer to the Excel Spreadsheet containing the required financial statements. If this document is submitted electronically, submit both the Word document and the Excel Spreadsheet as attachments.

#### **6.1.6 Technology Diagrams**

##### **6.1.6.1 Network Diagram**

##### **6.1.6.2 Hardware / Software Listings**

## 6.2 SWOT Analysis Worksheet

A SWOT analysis worksheet for your organization is provided below and is discussed in subsequent paragraphs. List 2 to 3 items for strengths, weaknesses, opportunities, and threats. Provide a list of strategies in each strategy square and discuss details in subsequent paragraphs.

	<u>Strengths</u> 1. 2. 3.	<u>Weaknesses</u> 1. 2. 3.
<u>Opportunities</u> 1. 2. 3.	<u>SO Strategies *</u>  Use strengths to leverage opportunities <b>(Preferred space)</b>	<u>WO Strategies</u>  Use opportunities to overcome weaknesses
<u>Threats</u> 1. 2. 3.	<u>ST Strategies</u>  Use strengths to avoid or overcome threats	<u>WT Strategies</u>  Manage weaknesses and avoid threats

### **6.3 References**

Some possible references are the following.

Adizes, I. (1999). *Managing corporate lifecycles*. Prentice-Hall.

Baghai, M., Coley, S., & White, D. (1999). *The alchemy of growth*. Perseus Books.

Berry, T. (2000). *The book on business planning*. Palo Alto Software.

Christensen, C. M. (2000). *The innovator's dilemma*. HarperCollins.

Mancuso, A. (2003). *Form your own limited liability company*. Arvato Services.

McKeever, M. (2002). *How to write a business plan*. Consolidated Printers.

Pearce, J. A. & Robinson, R.B. (2000). *Strategic management: Formulation, implementation, and control*. Irwin.

## **Journals / Magazines / Newspapers**

Some journals, magazines, and newspapers that contain information that may be of interest and help in building strategic plans are listed below. Note: Most of these publications are available in the UOP Digital Library.

- American Demographics
- Business 2.0
- Business Week
- California Management Review
- CFO
- CIO
- Eastside Journal
- Economist
- Entrepreneur
- Fast Company
- Forbes
- Fortune
- Futurist
- Harvard Business Review
- IBM Systems Journal
- Journal of Business Strategy
- New York Times
- McKinsey Quarterly
- Money
- PC World
- Puget Sound Business Journal
- San Jose Mercury News
- Seattle Times
- Sloan Management Review
- Strategy+Business
- Technology Review
- Wall Street Journal
- Washington Post
- Wired

## Websites

The following Web sites contain information helpful in business planning.

Accounting for Small Business	<a href="http://www.quicken.com/">http://www.quicken.com/</a>
American Public Health Association	<a href="http://www.apha.org">http://www.apha.org</a>
Banking (start a bank acct online)	<a href="http://www.key.com">http://www.key.com</a>
Business Planning	<a href="http://www.bplans.com">http://www.bplans.com</a>
CEO Express	<a href="http://www.ceoexpress.com">http://www.ceoexpress.com</a>
City of Bellevue	<a href="http://www.ci.bellevue.wa.us/">http://www.ci.bellevue.wa.us/</a>
City of Seattle	<a href="http://www.ci.seattle.wa.us/">http://www.ci.seattle.wa.us/</a>
Consumer Product Safety	<a href="http://www.cpsc.gov">http://www.cpsc.gov</a>
Create a business online – LLCs, ...	<a href="http://www.bizfilings.com/">http://www.bizfilings.com/</a>
Demographics	<a href="http://www.fedstats.gov/">http://www.fedstats.gov/</a>
Department of Commerce	<a href="http://www.doc.gov/">http://www.doc.gov/</a>
Department of Education	<a href="http://www.ed.gov/">http://www.ed.gov/</a>
Dept. of Health and Human Services	<a href="http://www.os.dhhs.gov/">http://www.os.dhhs.gov/</a>
Department of Treasury	<a href="http://www.ustres.gov/">http://www.ustres.gov/</a>
Domain Name Registration	<a href="http://www.networksolutions.com">http://www.networksolutions.com</a>
Economic and Financial Data	<a href="https://www.economy.com/freelunch/">https://www.economy.com/freelunch/</a>
Economic News (Yahoo!)	<a href="http://news.yahoo.com/fc?tmpl=fc&amp;cid=34&amp;in=business&amp;cat=us_economy/">http://news.yahoo.com/fc?tmpl=fc&amp;cid=34&amp;in=business&amp;cat=us_economy/</a>
Entrepreneur's Reference Guide	<a href="http://www.loc.gov/rr/business/guide/guide2.html">http://www.loc.gov/rr/business/guide/guide2.html</a>
Environmental Protection Agency	<a href="http://www.epa.gov/">http://www.epa.gov/</a>
Everyday Law for Everyday People	<a href="http://www.nolo.com/">http://www.nolo.com/</a>
Explaining Things	<a href="http://xplane.com/">http://xplane.com/</a>
Federal Trade Commission	<a href="http://www.ftc.gov/">http://www.ftc.gov/</a>
Food and Drug Administration	<a href="http://www.fda.gov">http://www.fda.gov</a>
IBM	<a href="http://www.ibm.com/">http://www.ibm.com/</a>
Intel	<a href="http://www.intel.com">http://www.intel.com</a>
IRS	<a href="http://www.irs.gov">http://www.irs.gov</a>
King County	<a href="http://www.metrokc.gov">http://www.metrokc.gov</a>
Libraries of Congress	<a href="http://www.loc.gov/">http://www.loc.gov/</a>
Microsoft	<a href="http://www.microsoft.com/">http://www.microsoft.com/</a>
Puget Sound Business Journal	<a href="http://www.bizjournals.com/seattle/">http://www.bizjournals.com/seattle/</a>
Securities and Exchange Comm.	<a href="http://www.sec.gov/">http://www.sec.gov/</a>
Small Business Administration	<a href="http://www.sba.gov/">http://www.sba.gov/</a>
State of the World: Worldwatch Inst.	<a href="http://worldwatch.org/">http://worldwatch.org/</a>
State of Washington	<a href="http://access.wa.gov/">http://access.wa.gov/</a>
Taxes for Small Business	<a href="http://www.turbotax.com/">http://www.turbotax.com/</a>
Washington Small Business Dev. Ctr	<a href="http://www.wsbdc.org/">http://www.wsbdc.org/</a>
Web Hosting / Small Business Ideas	<a href="http://www.bcentral.com/default.asp">http://www.bcentral.com/default.asp</a>

## 6.4 Glossary of Terms

A glossary of terms referred to in this paper. Format: glossary item, followed by its definition. A Word table is a practical way to structure the glossary. This glossary should be alphabetized. Include at least 15 terms in this paper. For example:

<b>Glossary Item</b>	<b>Definition</b>
Continuous Process Improvement	A method used for reducing variation in the quality of products and services and incrementally improving the flow of work within a functional activity.
Business Process Redesign	A method for removing non-value added activities from processes, improving cycle-time response capability, and reducing process costs.
Business Process Reengineering	A method that radically transforms processes through the application of enabling technology to gain dramatic (typically over 50%) improvements in process efficiency, effectiveness, productivity, and quality.
Differentiation	The act of designing a set of meaningful differences to distinguish the company's offering from competitors' offerings. Source: Philip Kotler.
Industry	A group of firms that offer a product or class of products that are close substitutes for each other. Source: Philip Kotler.
Intellectual Capital	Knowledge that transforms raw materials and makes them more valuable. Intellectual capital has three basic components: human capital, relationship capital, and structural capital. See Stewart.
Market	The set of all actual and potential buyers of a market offer. Source: Philip Kotler.
Market Demand	The total volume of demand for a product that would be bought by a defined customer group in a defined geographic area in a defined time period in a defined marketing environment under a defined marketing program. Source: Philip Kotler.
Market Potential	The limit approached by market demand as industry marketing expenditures approach infinity for a given marketing environment. Source: Philip Kotler.
Opportunity	A favorable change in the environment where potential markets may exist or are emerging. Opportunities are available to any company in the industry.
Process	A set of interrelated activities that transform some inputs to a set of desired outputs.
Stakeholders	Anyone with a stake in the successful outcome of an organization – customer, supplier, banker, employee, owner, or manager – for example.

Strategic management	The set of decisions and actions that result in the design and activation of strategies to achieve the objectives of an organization.
Strategy	Strategy is creating fit among a company's activities. If there is no fit among activities, there is no distinctive strategy and little sustainability. Source: Michael Porter.
Strengths	Strengths are a resource advantages relative to competitors and the needs of the markets an organization serves or expects to serve. They are a distinctive competence when it gives the organization a comparative advantage in the marketplace. Strengths arise from the resources and competencies available to the firm. Strengths are internal to the organization. Source: J.A. Pearce.
Value proposition	A set of benefits, different from those the competitors offer. Source: Michael Porter
Values	Values are the ideals that give significance to our lives that are reflected through the priorities that we choose, and that we act on consistently and repeatedly. Source: Brian Hall.
Weaknesses	A <i>weakness</i> is a limitation or deficiency in one or more resources or competencies relative to competitors that impedes a firm's effective performance. Weaknesses make the organization vulnerable competitively and may make the pursuit of certain options impossible. Source: J.A. Pearce.

## Notes: A List of Possible Organizations

- Accountants
- Art gallery
- Art and frame shop
- Auto repair shop
- Bakery
- Bicycle shop
- Book store
- Business consultancy
- Caterer
- Clothing store
- Coffee shop / kiosk
- Dance studio
- Day-care
- Elder-care
- Financial planner
- Florist
- Furniture store
- Gift shop
- Government agency
- Groceries
- IT consultancy
- Landscaper
- Magazine seller
- Marriage counselor
- Museum
- Music store
- Party store
- Pet grooming
- Pet shop
- Photographer
- Real estate
- Restaurant
- Running store
- Tax adviser
- Wedding planner
- Video store
- Veterinarian