



A to Z BUSINESS PLAN OUTLINE

SECTION 1: Marketing Plan

- A. Define your marketplace**
 - i. Describe the area where you will focus marketing efforts**
 - a. Geographic area**
 - b. Demographics**
 - c. Population**
 - ii. Mention any specific areas of importance**

- B. Conduct market analysis**
 - i. Macroeconomic trends**
 - a. Determine the current and future phase of the business and industry cycle**
 - b. Find an estimated rate of inflation using economic sources**
 - c. Work with a local office of the SBA or their SCORE affiliate**
 - ii. Microeconomic (industry) trends**
 - a. Ask your professional association about any major news or legislation**
 - b. Read journals, magazines, and blogs to track current trends**
 - iii. Marketplace trends**
 - a. Review for public works or commercial development projects**
 - b. Review the level of competitive pressures**
 - Meet with your direct competitors and reference the meeting notes**
 - Note their services, prices, and experience levels**
 - Maintain a list of indirect competitors and substitute service providers**

- C. Compile a SWOT analysis**
 - i. Strengths**
 - a. Note how you will differentiate your service delivery, quality, or offerings**
 - b. Take into account any unique marketing or professional abilities**
 - ii. Weaknesses**
 - a. Note any deficiencies in your service delivery, quality, or offerings**
 - b. Take into account any unique marketing or professional weaknesses**
 - iii. Opportunities**
 - a. List key opportunities that await your organization**
 - b. List any potential opportunities that could be exploited later**
 - c. List additional services your organization could add**

- Note any special certifications or equipment that may be needed
 - Review for profit complementation or cannibalization
 - d. Refer to your market analysis and territory worksheet
 - iv. Threats
 - a. Describe how your organization can react to potential threats
 - b. Note the current level of competitive pressures
 - Overall satisfaction with profit levels among direct competitors
 - Competitors within any unique target market
 - Demand level for substitute products or services
 - c. Refer to your market analysis and territory worksheet
- D. Service mix
 - i. List your primary (core) services
 - ii. List any preliminary, secondary, or free services
 - a. List any additional equipment needs
 - b. Mention any profit complementation or cannibalization
 - iii. Price strategies
 - a. Research what health care providers offering similar services charge
 - b. List common ICD codes and indicate what insurance companies reimburse
 - c. Note income levels of surrounding residents
 - d. Note any additional resource expenditures patients may face
 - iv. Future services (reference growth plan in management section)
- E. Compile a territory worksheet to include with the business plan
 - i. Categorize key items that exist within your marketplace
 - a. People
 - b. Places
 - c. Events
 - d. Objects
 - ii. List attributes of each item and maintain marketing notes
 - iii. Download a free territory worksheet at remedybooks.com under the Students tab
- F. Building community
 - i. Network participants
 - a. Compile a comprehensive list of people you know
 - b. Categorize relationships as strong, moderate, or weak
 - c. Write applications that instruct network participants on how to spread word of mouth in a structured manner on your behalf
 - ii. Referral sources
 - a. Compile a list of people that would offer a positive referral
 - b. Categorize relationships based on strength and size of referral base
 - c. Write applications that instruct referral sources on how to provide the referral in a structured manner on your behalf

G. List marketing tools

i. Advertisements

- a. List places and events to post advertisements (territory worksheet)**
- b. Show an example of planned content**

ii. Collateral

- a. List collateral that will be created**
- b. List promotional items**
- c. List ways to disseminate collateral**

iii. Media spot

- a. Describe any plans to create media spots**
- b. Show an example of planned content**

iv. Website content

- a. Describe how your organization will use a website**
- b. Show examples of pages**

H. Professional sales

i. Write narratives to ensure you communicate key points clearly

- a. Describe your skills, background, and organization**
- b. Educate patients on health matters**
- c. Tackle sales resistance, i.e., time, money, and energy**

ii. List ideas on how to best continue different types of relationships

I. Patient experience

i. Initial experience

- a. Describe the process used to ensure phone calls are always answered**
- b. Note key items in area surrounding your clinic**
 - Commuting experience**
 - Other businesses that patients could access**
 - Cleanliness of overall area**
 - Future development potential**
- c. Describe how the building, landscaping, and parking lot will look**
- d. Describe how the waiting and treatment room experience will be arranged**
 - Documents and forms to fill out during wait**
 - Magazines, beverages, food, and forms of entertainment**
 - Preliminary or free services (refer to service mix)**

ii. Treatment experience

- a. Describe quality control procedures that will be set in place**
- b. Discuss your strengths in caring for patients (refer to SWOT analysis)**

iii. Posttreatment experience

- a. List billing, collection, missed visit, and late policies**
- b. List forms of payment to be offered**

SECTION 2: Financial Plan

- J. Review market research from the marketing plan section**
 - i. Find a reliable forecasted inflation rate**
 - ii. Select an appropriate discount rate**
 - a. Weighted average cost of capital**
 - b. Inflation plus risk premiums**

- K. Obtain historical accounting information under the accrual method (if applicable)**
 - i. Segment accounting information in a meaningful way**
 - ii. Identify any historical trends and correlations**

- L. Draft revenue assumptions and forecast cash flows for the next 3-5 years using Excel®**
 - i. General decline**
 - ii. New patients**
 - iii. Returning patients**
 - iv. Patient margin**
 - v. Terminal activity**

- M. Draft expense assumptions and forecast cash flows for the next 3-5 years using Excel®**
 - i. Identify expenses that will grow per inflation**
 - ii. Identify variable versus fixed expenses**
 - iii. Formulate an allocation method for fixed expenses if multiple revenue sources exist**

- N. Make free cash flow adjustments**
 - i. Interest expense, taxes, equipment, and working capital adjustments**
 - ii. Discount all estimated free cash flows into net present value (NPV) terms**

- O. Profitability evaluation**
 - i. Highlight the NPV and IRR (key numbers a financial institution wants to see)**
 - ii. Assess various financial ratios**
 - iii. Calculate the payback period**
 - iv. Conduct a breakeven analysis**
 - a. Calculate the contribution margin**
 - b. Specify the minimum amount of revenues needed**

- P. Construct a cash budget cover at least one year**
 - i. Use revenue and expense assumptions to specify budgeted amounts**
 - ii. Note the timing of equipment purchases and sales**
 - iii. Note if any financing needs are warranted**

- Q. Meet with licensed professionals and reference the meeting notes**

SECTION 3: Management Plan

R. Goal setting

- i. Primary and secondary goals**
- ii. Action steps needed to achieve goals**
- iii. Compile a Balanced Scorecard¹**
 - a. Financial perspective**
 - b. Learning and growth perspective**
 - c. Internal processes perspective**
 - d. Patient perspective**

S. Personal preparedness

- i. Describe how you have enough management experience for your venture**
- ii. Include a resume with the business plan**
- iii. Note the levels of personal satisfaction that all key parties involved assume they will experience**

T. Growth plan

- i. List major cash outlays related to new employees and equipment**
- ii. List any new products or services**
- iii. Identify metrics that signal when moving to the next stage of the plan can occur**

U. Professional development

- i. Identify books, magazines, and journals**
- ii. Identify seminars, classes, continuing education events, and workshops**
- iii. List SBA and SCORE resources**

V. Support network

- i. SBA or SCORE contacts**
- ii. Other health care, providers, professionals, or small business owners**
- iii. Psychologist or counselor**

W. Asset management

- i. Emergency sources of financing**
- ii. Financial ratios to maintain**
- iii. System used to track inventory levels**
- iv. Insurance products to obtain**

¹ The Balanced Scorecard is a system to arrange goals and combine them with metrics created by Drs. Robert Kaplan and David Norton in the 1990s.

X. Human resources

- i. Include hiring documents with business plan (if applicable)**
 - a. Job descriptions**
 - b. Employee handbook**
- ii. Employee management**
 - a. Describe who will handle payroll taxes and filings**
 - b. Describe your experience properly interviewing candidates**
 - c. Mention antiharassment, antidiscrimination, and safety training**
 - d. Mention staff meetings and performance reviews**
 - e. Mention employee benefits**
 - f. Mention the process to be followed in case of employee termination**

Y. Administrative processes

- i. Detail how HIPAA compliance will be maintained**
- ii. Describe the scheduling, billing, and collection processes**
- iii. Note how internal controls will be maintained**
 - a. To ensure chart notes are compiled on every patient**
 - b. To ensure billable charges are properly recorded**
 - c. To protect the handling of cash**
 - d. To verify vendor payments**

Z. Computer system

- i. Hardware**
 - a. Describe how workstations will be set up**
 - Ergonomics**
 - Lighting**
 - b. List equipment that will be used along with its cost**
- ii. Software**
 - a. List the software that will be used along with its cost**
 - b. Note experience using EHR or practice management software that will be used**
 - c. Note any manual processes**