

Business Planning - Understanding Your Customers

Writing a business plan increases an entrepreneur's chance of running a profitable business that survives for more than a few years. Less than half of small businesses use a formal business plan, however, and many of those plans are out of date. To increase your chances of successfully writing (or updating) your business plan, begin with 3 crucial steps:

Step 1: Make a date with yourself. Schedule a series of business planning "meetings." Choose the same time and day(s) each week, or check your calendar and schedule unused blocks of time for your business planning sessions. Don't cancel on yourself!

Step 2: Find a good template or outline to follow. The Small Business Administration, the American Express Small Business Network (search for "Creating an Effective Business Plan" at AmericanExpress.com) or the Start Up Journal (www.startupjournal.com) are good places to find planning tools.

Step 3 (covered in this workbook): Define what your company is *really* offering to your customers. The following exercises will lead to truly understand your customers' needs and what you sell to satisfy those needs:

LIST CURRENT GOODS AND/OR SERVICES YOU SELL (and their features):

e.g., The company "Occasions" lists their product offerings:

1. Party Pack: The Party Pack is a complete kit for any party. It includes decorations...
2. Step-by-Step Guides: These booklets include a calendar to map out the event...
3. Event Planning Software

FUTURE GOODS AND/OR SERVICES:



Discover What You Are Really Selling

Your customers will buy from you based on their needs, not the features or price of your product. When you provide a good or service that solves your customers' problems, or makes their life better, sales will come easily. If your product or service...

- Saves time
- Reduces stress
- Increases safety or security
- Increases sales
- Increases productivity
- Cuts costs
- Improves communications
- Increases well-being
- Is affordable to your client

...you will easily make steady sales. What problems do you solve for your customers? How do you make their lives better? List at least three answers here:

1)

2)

3)

List additional ideas you get from the group here:

Some "benefit words" to think about (from "Think Benefits, Not Features!" KendallSummerHawk.com): improve, increase, reduce, eliminate, grow, create, build...



Who are Your Customers?

Describe your ideal customer(s), demographically (age, sex, income level, geographic location, type of profession, and other characteristics that uniquely describe him or her). Most businesses serve more than one type of customer.



Young adult males, age 18 to 35, employed.

Your Customer Profile, No. 1:



Mother (female head of household), with children present, \$35,000/year + income

Your Customer Profile, No. 2



Fortune 500 Companies

Your Customer Profile, No. 3



Where are Your Customers?

How can you best reach your “choice customer?”

Young employed males hang out:

- In front of the television (television ads).
- Commuting to and from work (radio ads).
- At sporting events (sponsorships).
- At sports bars, professional meetings (networking).

Mothers with young children hang out:

- In grocery stores (in store promotions).
- At school events (event sponsorships, donations, private publication ads).
- Commuting to and from work, children’s events (radio ads).
- Reading women’s magazines (print ads).

Fortune 500 executives hang out:

- At professional meetings (networking, sponsorships).
- Reading trade and business magazines (print ads).
- Commuting to and from work (radio ads).
- At social and neighborhood events (networking).

Where do your potential customers “hang out?”

Customer No. 1: _____

Customer No. 2: _____

Customer No. 3: _____

