# **Video Title:** The Importance of Having a Business Plan by Gene Guarino

**Video URL:** [**https://www.youtube.com/watch?v=E6N5Trv8pfQ**](https://www.youtube.com/watch?v=E6N5Trv8pfQ)

**Run Time/Source:** 6.09, Gene Guarino. The Residential Assisted Living Academy

**Close Caption Available:** Yes

Having a business plan is important for two reasons---you and them. You, being the entrepreneur starting a new business venture. For you, the business plan serves as your roadmap to success. Writing out all the details and all the steps helps you to double-check and be sure that you are well prepared. It also demonstrates to others that you are thoughtful and thorough in your approach to starting a business.

For them---bankers, lenders, investors, partners, employees, and suppliers, the business plan serves much the same purpose. The business plan demonstrates that you are thorough and prepared. This will help instill confidence in them that you will succeed in your proposed business venture.

A good business plan begins with a strong executive summary. Your Executive Summary should be 1-3 pages where you lay out the business in a simple way. Briefly describe your business concept, how you will conduct business, your unique selling proposition, when the business will break even, how much money you are requesting in the form of a loan or investment, and when the lender will be paid or how much equity you are offering the investor.

You also need to describe the key people in the business, the product or service, your place in the market (high price, low price, high quality, low quality, etc.) along with other necessary information. Be sure to describe your unique selling proposition---why people will purchase your product or service over competitors. Close the summary by describing your exit plan.

Questions:

1. Why is a business plan important?
2. Why would a potential business partner be interested in seeing a business plan for the proposed business? As you probably already know one another, you have probably spoken to each other at length about the proposed business.
3. Why would a potential lender need to see your business plan? You might even know the local banker and have already discussed your proposed business with her.
4. Why does Gene Guarino emphasize the importance of a business plan to “them”?