



# **Business Foundations: Management**

***Presented By: Hampton Roads Small  
Business Development Center***



# Hampton Roads Small Business Development Center

## Mission: Help Small Businesses Create Economic Impact

The HRSBDC is a team of business and technical experts available to listen, advise and assist entrepreneurs completely confidentially. Our commitment is to help small businesses achieve their business goals. We offer a variety of seminars and workshops, 1:1 assistance, connection to curated research, access to technical experts and professionals, and timely events and training.



# What ALL clients receive from the HRSBDC

## Classes, Webinars, Workshops and Conferences

- Business Foundations: Get Started
- Business Foundations Series
  - Management
  - Marketing
  - Money
- Business Mastery Series
  - Management
  - Marketing
  - Money
- Monthly Home-based Business Series
- Annual Home-based Business Conference
- Government Contracting Seminars
- Procurement Contracting Seminars
- On-Demand Webinars at VASBDC
- Online Classes – VASBDC and SCORE
- QuickBooks Training Online

HRSBDC EVENT CALENDAR: <https://clients.virginiasbdc.org/center.aspx?center=46050>

VASBDC EVENT CALENDAR: <https://clients.virginiasbdc.org/events.aspx>

SCORE WEBINARS: <https://www.score.org/>

# What qualifies for 1-on-1 Advising from the HRSBDC

- Advance Growth Stage: \$50,000 or greater in revenue and ready to grow
- Capital needs for scalability and entering new markets
- Invention or patentable intellectual property
- Government contracting expansion (2 years minimum in business)
- Succession or exit planning
- High-tech or specialized industrial/manufacturing start-up
- Investor readiness analysis
- Ownership changes and business restructuring

**NOT ON THIS LIST??**

**Come to Office Hours: Thursday 9:30 a.m. – 11:00 a.m.**

**<https://zoom.us/meeting/register/1Jlexk1SSyOITXXcuflrkw>**

# What the HRSBDC asks of you

**Complete our semi-annual survey to tell us when we've helped you:**

- Create additional jobs in your company.
- Increase revenue with a sales or marketing strategy.
- Apply (and hopefully receive) a bank loan or grant.
- Start your new business.
- Saved jobs through a restructuring plan.
- Overcome an economic downturn in your business.
- Organize and standardize your accounting.
- Develop and produce new technology or manufactured products.
- Manage a cash flow crisis.

# Business Foundations Resources

**AMERICAN SBDC VIRGINIA HAMPTON BRANCH**

## One-Page Business Plan Template

101 W. Main Street, Suite 800, Norfolk, VA 23510 | www.hsbdc.org | 757-664-2592

### Business Overview

Describe your business. What is your mission statement? What is your vision statement? What problem are you solving?

### Industry Analysis/Market Research

What industry are you in? What does the future for your industry look like? Who are your competitors? Include statistics

### Target Market

Who is your target audience? What characteristics do your ideal customers share? Look for patterns.

### Marketing Plan

Which channels and platforms will you use to reach and convert your target audience? How will new customers find out about your business?

### Operations and Bookkeeping

An overview of how your business will run its daily activities and manage its sales records.

### Team

Tell us about your team and why they're awesome

### Financial Summary

Describe your company's financial status. Use information directly from the Income Statement, P&L Statement, Balance Sheet, Cashflow Statement, and Financial Projections.

### Products and Services

Tell us about your product or services. What makes your products or services valuable?

### Start-up Costs

Include the essential expenses required to open your business. Do not include expenses that can be addressed after the business is operational.

**AMERICAN SBDC VIRGINIA HAMPTON BRANCH**

## STARTER MARKETING PLAN TEMPLATE

Business Name: \_\_\_\_\_ Date: \_\_\_\_\_

### Goals:

- What are your marketing goals for the next (3, 6, or 12 months)?
- Be specific and measurable.

### Target Audience:

- Who are your ideal customers?
- Describe their demographics, interests, and pain points.
- Create 1-2 target personas if possible.

### Unique Selling Proposition (USP):

- What makes your business different and better than competitors?
- Clearly define your value proposition.

### Marketing Channels:

- Which channels will you use to reach your target audience?
- Consider social media, email marketing, content marketing, search engine optimization (SEO), etc.

### Key Activities:

- For each chosen channel, list specific activities you will undertake.
- Examples: publish blog posts, run social media ads, send email newsletters, etc.

### Budget:

- How much are you willing to spend on marketing?
- Allocate funds based on chosen channels and activities.

### Measurement & Tracking:

- How will you track your marketing campaign's success?
- Define key metrics for each channel and activity (e.g., website traffic, leads generated, conversion rates).

### Timeline:

- Set deadlines for each key activity and milestone.
- Ensure your plan is actionable and time-bound.

**Remember:**

- Keep it concise and focused on the main points.
- Prioritize activities with the highest potential return on investment (ROI).
- Be flexible and adapt your plan as needed based on results.
- Track your progress regularly and adjust your strategies accordingly.

Man-Up-Expenses - Excel

File Home Insert Page Layout Formulas Data Review View Tell me what you want to do...

Clipboard Font Paragraph Styles Alignment Number

#27

	A	B	C	D	E	F	G	H	I	
1	<b>Startup Expenses</b>									
2	Enter your company name here									
3										
4										
5	<b>Sources of Capital</b>									
6										
7	<b>Owners' Investment (name and percent)</b>									
8	<b>Investor</b>									
9	Your name and percent ownership	\$	-							
10	Other investor	\$	-							
11	Other investor	\$	-							
12	Other investor	\$	-							
13	<b>Total Investment</b>	\$	-							
14	<b>Bank Loans</b>									
15	Bank 1	\$	-							
16	Bank 2	\$	-							
17	Bank 3	\$	-							
18	Bank 4	\$	-							
19	<b>Total Bank Loans</b>	\$	-							
20										
21	<b>Other Loans</b>									
22	Source 1	\$	-							
23	Source 2	\$	-							
24	<b>Total Other Loans</b>	\$	-							
25										
26										
27	<b>Startup Expenses</b>									
28										
29	<b>Buildings/Real Estate</b>									
30	Purchase	\$	-							
31	Construction	\$	-							
32	Remodeling	\$	-							
33	Other	\$	-							

**Notes on Preparation**

**Remember:** You may need to print this information to use as reference later. To delete these instructions, click the bottom of this text box and then press the DELETE key.

**Research:** Really everyone who has ever started a business has underestimated the costs, and then faced the danger of running with inadequate capital resources. The key to avoiding this pitfall is to adopt a rigorous approach to your research and planning. Our Startup Expenses worksheet will lead you through the process.

**EXPENSES:** Begin by estimating expenses. Start with a cost you to get your business up and running? The key to accuracy here is attention to detail. For each category of expense, draw up a list of everything you will need to purchase. This will include both tangible assets (for example, equipment, inventory) and services (for example, rent, advertising, insurance). Then determine where you might purchase these goods or services. Research more than one vendor, i.e., comparison shop. Do not look at price alone; terms of payment, delivery, reliability, and service are also important.

**COUNTERFINDER:** Just a reminder for colleagues: be sure to explain in your narrative how you decided on the amount you are putting into this resource.

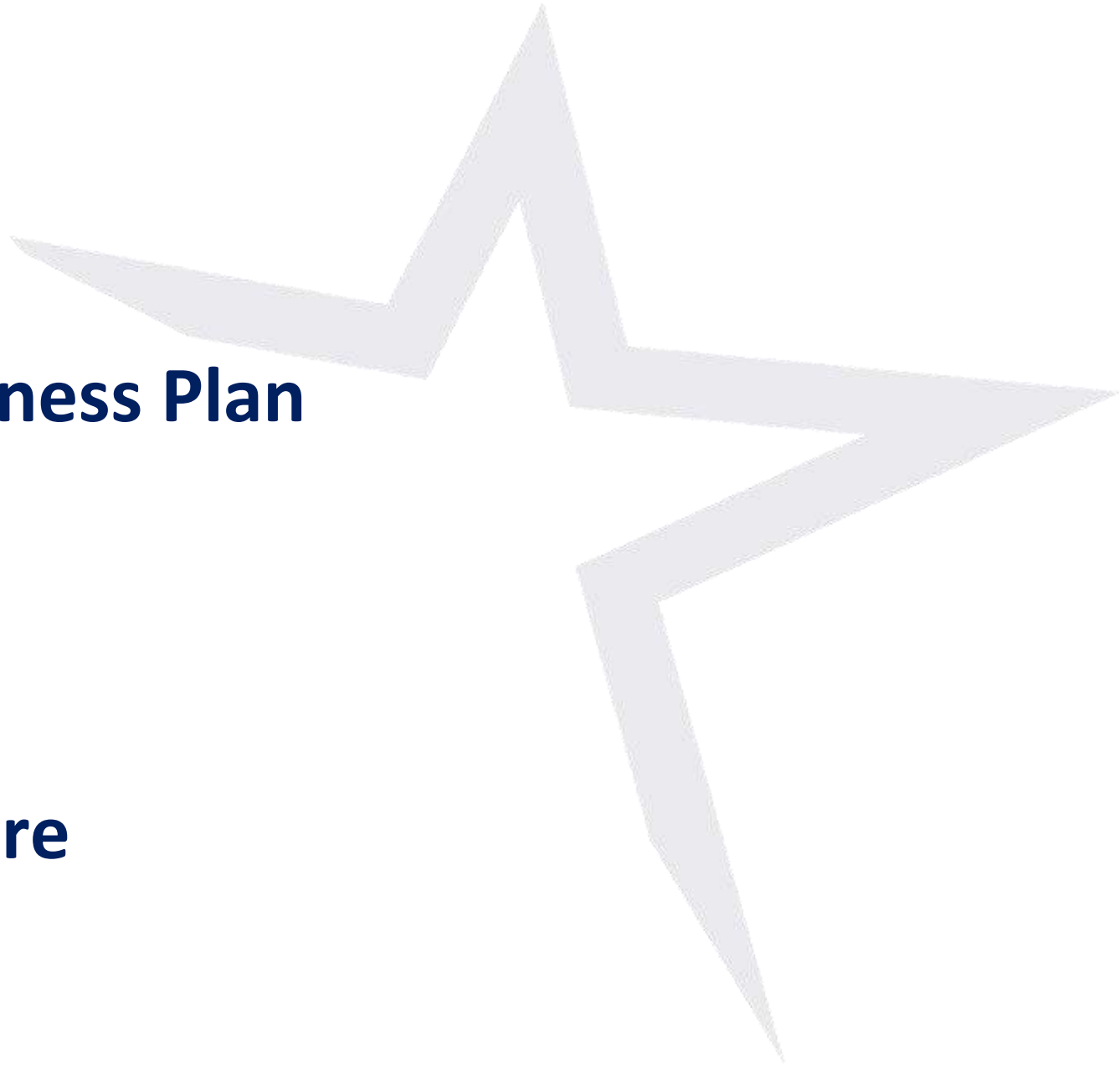
**WORKING CAPITAL:** You cannot open with an empty bank account. You need a cash cushion to meet expenses while the business gets going. Eventually you should try a 12-month cash flow projection. This is where you will work out your estimate of working capital needs. The way, either leave this line blank or put in your best rough guess. After you have done your cash flow, you can now help and make the complete revised cash flow.

**SOURCES:** Now that you have estimated how much capital will be needed to start, you should turn your attention to the top part of this worksheet. Enter the amounts you will get in yourself, how much will be injected by partners or investors, and how much will be supplied by financing.

**COLLATERAL:** If you will be using this plan to support a bank loan request, use the section near the bottom to show what assets you offered as collateral to secure the loan, and give your estimate of the value of these items. Be prepared to offer some proof of your estimates of collateral values.

# Agenda

- **Legal Organization**
- **Basic Principles and Business Plan**
- **Execution**
- **Professional Affiliations**
- **Start-up Structure**
- **Growth Business Structure**
- **Human Resources**



# **LEGAL ORGANIZATION**





# Legal Organization Decisions

## Options

- Sole proprietorship
- Limited Liability Company (LLC)
- Corporation
  - S (Taxed using IRS Form 1120S)
  - C (Taxed as a corporation)
- Limited Liability Partnership (LLP)

## Legal organization decision-making for small business owners

- Ownership
- Taxes
- Liability Exposure

# Resource



## Start a Business in VA Checklist

101 W. Main Street, Ste 800, Norfolk, VA 23510 | [www.hrsbdc.org](http://www.hrsbdc.org) | 757-664-2592

Updated: May 2024

- ☐ 1. Register with Virginia's State Corporation Commission (SCC) - <https://scc.virginia.gov/>
  - o Get an [online account](#). (Reserve a business name for 30 days at no charge)
  - o Register your business as an LLC, Corporation, or Partnership.
  - o LLC: \$100 to register, \$50 annual renewal
  - o Corporation: \$75 to register, \$100 annual renewal
- ☐ 2. Register with the IRS - <https://www.irs.gov>
  - o Apply for an [Employee Identification Number \(EIN\)](#). You will get your EIN immediately
  - o Check "For banking purposes" when asked for the reason why you are applying for an EIN
- ☐ 3. Register with Virginia's Tax Department - <https://tax.virginia.gov>
  - o If you sell goods to consumers, or have employees, get a [Virginia tax ID](#)
  - o The same tax id is used for payroll taxes and sales tax payments
- ☐ 4. Get your County or City Licenses and Permits
  - o [Business License \(BPOL\)](#) and [Home Occupation Permit](#)
  - o Check with your County or your City (not both). Links for our primary municipalities below:

<a href="#">Accomack</a>	<a href="#">James City County</a>	<a href="#">Southampton</a>
<a href="#">Chesapeake</a>	<a href="#">Newport News</a>	<a href="#">Suffolk</a>
<a href="#">Franklin</a>	<a href="#">Norfolk</a>	<a href="#">Virginia Beach</a>
<a href="#">Gloucester</a>	<a href="#">Northampton</a>	<a href="#">Williamsburg</a>
<a href="#">Hampton</a>	<a href="#">Portsmouth</a>	<a href="#">York County</a>
<a href="#">Isle of Wight</a>	<a href="#">Poquoson</a>	
- ☐ 5. Open a Business Bank Account
  - o Bring Virginia SCC registration certificate and IRS EIN letter
  - o Bring valid IDs to prove your identity
- ☐ 6. Agreement between You and Your Partners (Optional)
  - o Create an Operating Agreement for LLC's or a Stockholder Agreement for Corporations
  - o Have the document notarized. Each partner must initial all pages and sign the document
  - o Consult an Attorney
- ☐ 7. Get Business Insurance through a Commercial Insurance Agent/Broker
  - o General Liability Insurance
  - o Professional or Product (Errors & Omissions) Insurance
  - o Tangible property insurance
  - o Worker's compensation insurance for your employees and independent contractors
- ☐ 8. Setup an Accounting System
  - o Set up an Accounting System
  - o Examples: Quickbooks, AccountEdge, Patriot, Zoho, Dynamics 365, Xero, Wave
  - o Consult a CPA
- ☐ 9. Setup a Payroll Service if you have employees, or if you file as an S-Corp
  - o Setup payroll for Corporation, S-Corp, or LLC with employees
  - o Examples: QuickBooks, AccountEdge, ADP, Gusto, Justworks, PayChex, Zenefits
- ☐ 10. Doing business with the state of Virginia and local governments
  - o Get a [DUNS number](#)
  - o Apply for the [SWaM](#) status (Small, Women and Minority)
  - o Register with [eVA](#), the government procurement website

HAMPTON ROADS SBDC IS FUNDED THROUGH THE VA SBDC NETWORK, HR CHAIRER AND THROUGH AN AGREEMENT WITH THE U.S. SMALL BUSINESS ADMINISTRATION. ALL OPINIONS, CONCLUSIONS, OR RECOMMENDATIONS EXPRESSED ARE THOSE OF THE AUTHOR(S) AND DO NOT NECESSARILY REFLECT THE VIEWS OF THE SBA.

# Other Legal and Business Considerations

## Simultaneous Activities

- ❖ Conduct an analysis of personal costs of living expenses (rent, utilities, etc.)
- ❖ Complete personal and business financial projections
- ❖ Determine if the business can be successful and how long it will take to reach **break-even**
- ❖ Learn Financing and Accounting options (Money Basics)

# **BASIC PRINCIPLES**



# The Business Plan



## TABLE OF CONTENTS

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### EXECUTIVE SUMMARY

3 Team Overview

4

### COMPANY OVERVIEW

4 Market Opportunity  
5 Key Features & Benefits  
7 Pricing & Revenue  
8 Company Milestones  
9 Future Development

10

### INDUSTRY OVERVIEW

10 Industry Analysis  
11 Target Audience  
12 Market Strategy  
13 Competitive Landscape  
15 Differentiating Factors  
17 Investment Opportunity

18

### FINANCIALS



## EXECUTIVE SUMMARY

### FAST FACTS

**Founded:** 2013

**Headquarters:** San Francisco, CA

**Founder:** Kent McClure

**Market Size:** \$12.5 billion

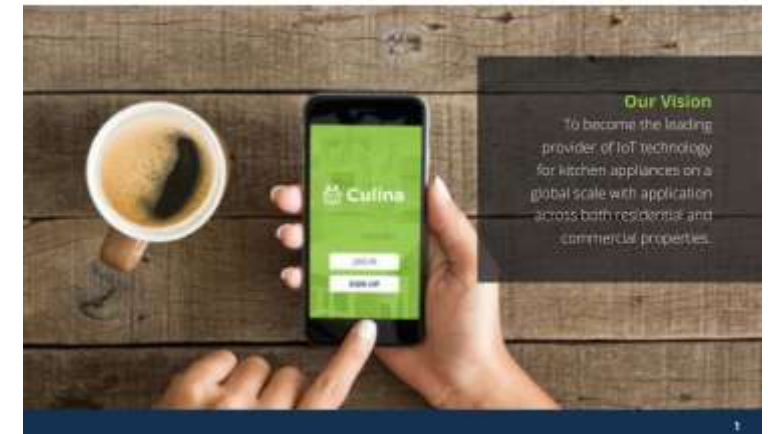
**Target Audience:** Homeowners; property managers; insurance providers.

### Quick Description

Culina is a San Francisco-based IoT and home automation company. We design an advanced smart hub technology that enables users to interconnect and remotely monitor all of their cooking devices and kitchen appliances through a single user-friendly platform.

### Our Mission

To make homes smarter, more connected, and safer for families while helping them save money and conserve energy through the power of affordable, automated technology.



# Why Write a Business Plan

- EVERY loan or grant request will require some form of business plan
- Putting your business structure on paper will help provide a laser focus for your goals
- Future you holding current you accountable
- Create a living, breathing road map for success
- Score card for success and areas of improvement
- **AI can't do this for you...**

# Business Plan Basics

- Executive Summary
- Value Proposition
- Mission Statement
- Market Research
- Organization and Management
- Employee Structure, if needed
- Services and/or Products
- Marketing and Sales
- Funding Request, if needed
- Financial Projections (24 months)
- Goals (5 years)
- Pricing Structure
- Intellectual Property
- Appendix

# Resource/Exercise

Complete the one-page business plan that will be provided in the follow-up email and return it to HRSBDC prior to the next seminar, Marketing Basics



## One-Page Business Plan Template

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**EXECUTION**



# Management Skills Needed

## Skill Sets

Sales

Marketing

Financing

Employee  
Relations

Customer  
Relations

Production

## Options

- Do it yourself
- Hire (Staff/Employees)
- Outsource  
(Contractors/Professional  
Services)

# Annual Projection

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	TOTALS
Sales	6000	8000	18000	18000	20000	25000	30000	32000	35000	35000	35000	36000	298000
Cost of Goods	3000	4000	9000	9000	10000	12500	15000	16000	17500	17500	17500	18000	149000
GROSS PROFIT	3000	4000	9000	9000	10000	12500	15000	16000	17500	17500	17500	18000	149000
Operating Expenses													
Employee's Wages	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	30000
Owner's Salary	2800	2800	2800	2800	2800	2800	2800	2800	2800	2800	2800	2800	33600
Payroll Taxes, Benefits	848	848	848	848	848	848	848	848	848	848	848	848	10176
Rent	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	18000
Utilities	500	480	525	550	600	500	700	750	820	900	950	980	8255
Insurance	2000						2000						4000
Supplies	100	125	200	200	250	275	300	400	400	410	425	450	3535
Marketing/Promotion	300	300	300	300	2000	300	300	300	300	300	2000	300	7000
Professional	1000			1000		500		500		500		500	4000
TOTAL OPERATING EXPENSES	11548	8553	8673	9698	10498	9223	10948	9598	9168	9758	11023	9878	118566
NET PROFIT FOR TAX	(8548)	(4553)	327	(698)	(498)	3277	4052	6402	8332	7742	6477	8122	30434



# **PROFESSIONAL AFFILIATIONS**

# Professional Affiliations – CLIMB HR

- **C.P.A**

- Bookkeeper is helpful early on
- Importance of bookkeeping system
- SBDC Quickbooks discount

- **Lawyer**

- Legal Organization
- Contracts
- Employment Law
- Consider Internet Options and do-it-yourself
  - RocketLawyer – Membership, discounted access to legal assistance
  - LegalZoom - Classic online legal service, good track record, reasonable pricing
  - LegalShield - Comprehensive competencies, discounted extra legal assistance, price based on size of business

- **Insurance Broker - Commercial**

- Protects you and the business

- **Marketer**

- Assist with a plan to attract customers
- Track ROAS

- **Banker**

- More than just a lender
- Establish relationships early
- Ask around

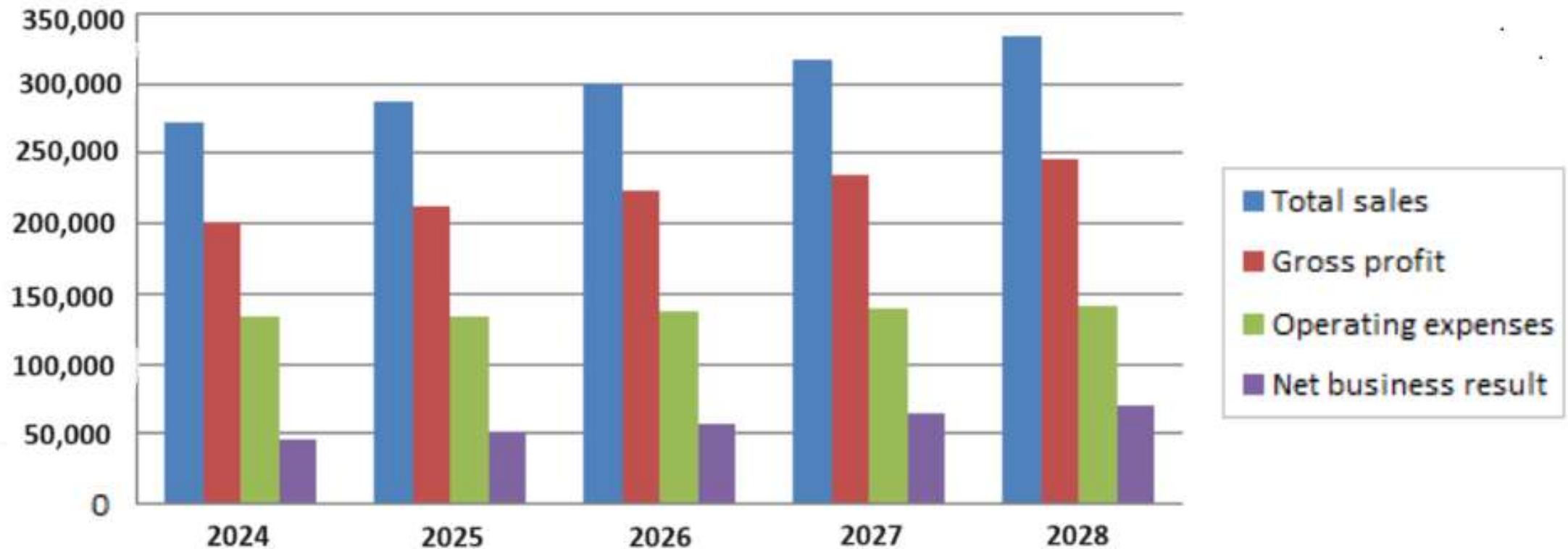
- **Human Resources**

- Outsource a HR resource to start to ensure compliance.
- Assist with Payroll set-up

# Start-up Structure



# Reality of Revenue



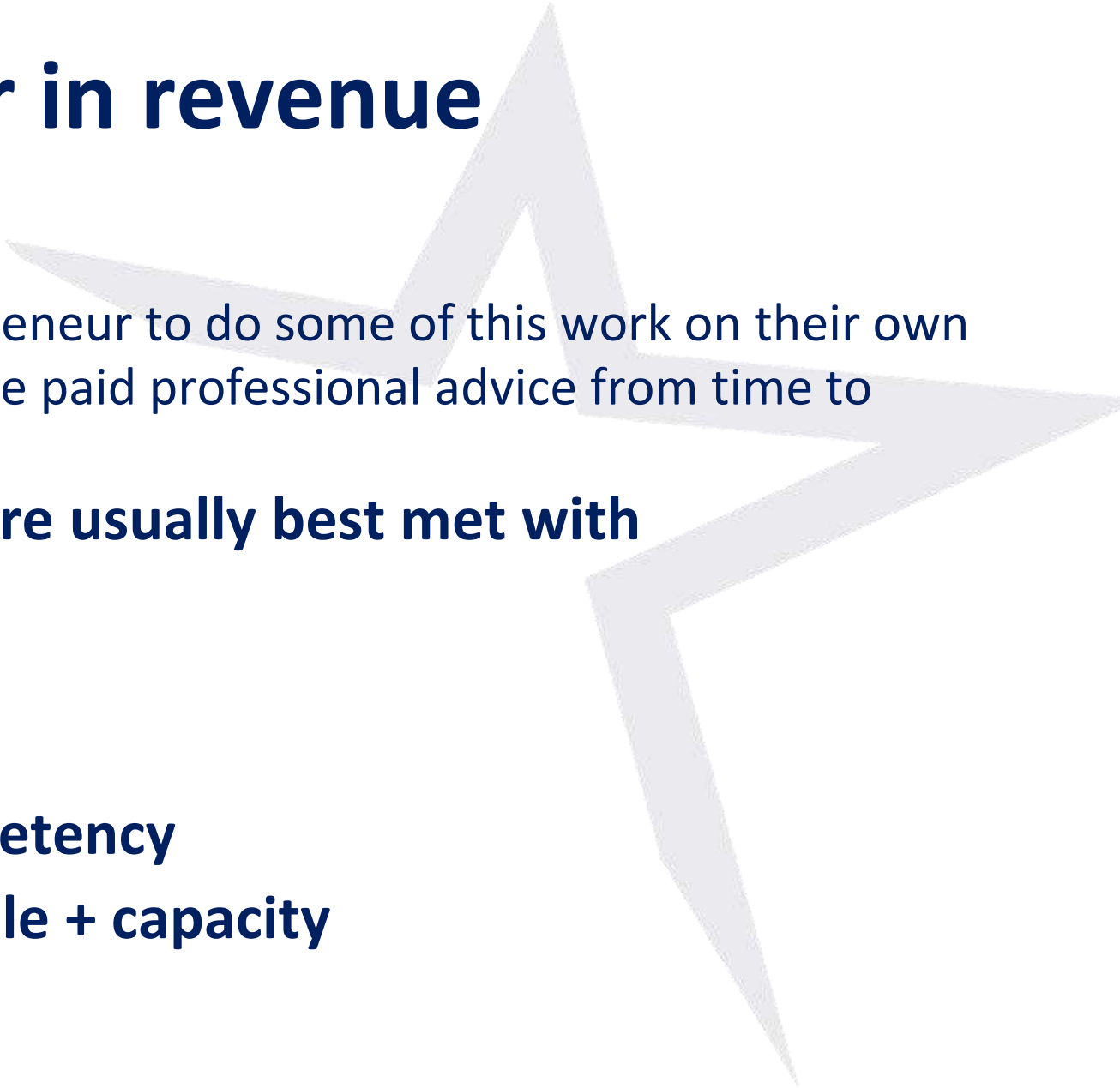
# Industry Average Net Profit Margins

<u>INDUSTRY</u>	<u>NET MARGIN</u>	<u>INDUSTRY</u>	<u>NET MARGIN</u>
• Auto Dealership	1.80%	• Retail – Apparel	3.80%
• Construction	11.20%	• Retail – Furniture	3.20%
• Consulting Services	6.40%	• Retail – Footwear	6.80%
• Insurance Brokers	6.80%	• Retail – Home	2.90%
• Entertainment	3.90%	• Retail – Luxury	4.90%
• Lodging	9.10%	• Retail – Specialty	1.90%
• Mortgage Broker	12.50%	• Retail – Tools	7.70%
• Personal Services	8.20%		
• Restaurants	4.60%		
• Staffing	4.40%		

Source: full:ratio 2024 - <https://fullratio.com/profit-margin-by-industry>

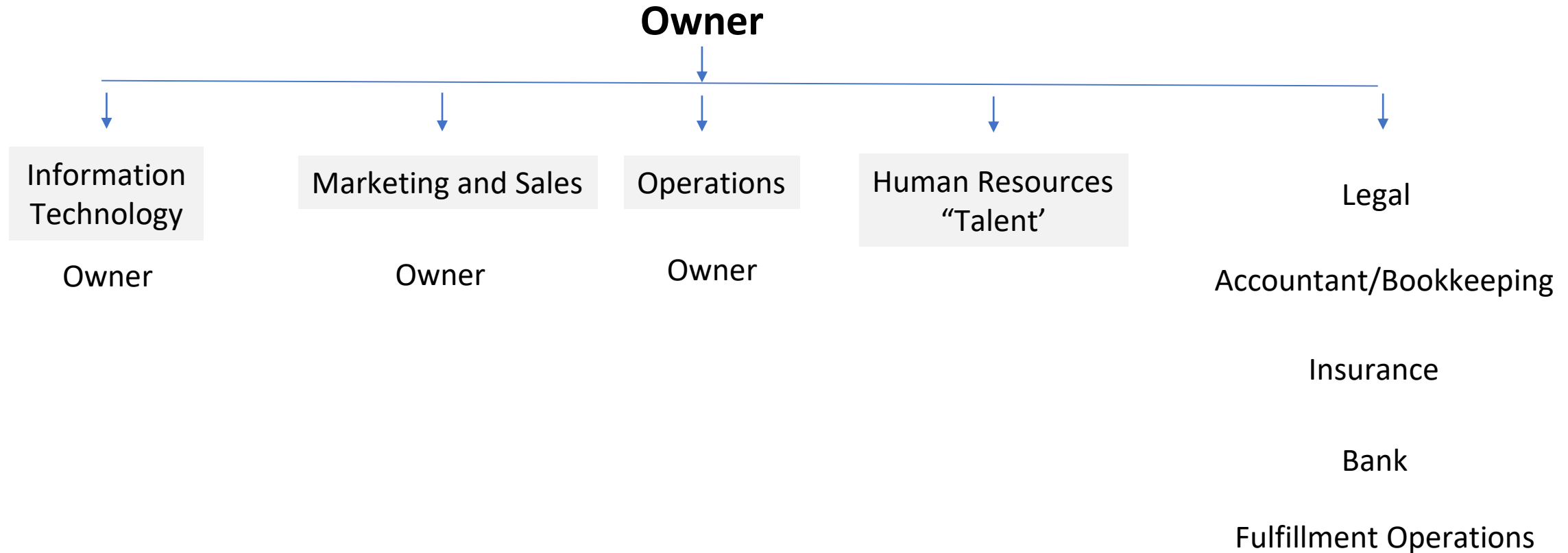


# \$50,000 or less a year in revenue

- **Professional Affiliations**
    - It is not impossible for the entrepreneur to do some of this work on their own
    - Even start-up ventures may require paid professional advice from time to time
  - **Human resource/talent needs are usually best met with independent contractors**
  - **Outsource special requests**
  - **Learn an accounting system**
  - **Website and social media competency**
  - **Keep in mind the concept of scale + capacity**
- 

# \$50,000 or less a year in revenue

## “Team is mostly the owner”



# \$50,000 or less a year in revenue

## Annual Operating Plan



### Organizational Chart

- Owner activity
- Contractor activity
- Professional services



### Lay out a year

- Marketing activities
- Operational activities
- Infrastructure integration and upkeep
- Financial activities



### Constantly revisit value proposition

- Customer experience
- Keep up with the competition



### Financial projections

- Revenue and cash flow projections
- Costs



### Business Systems

- Time management
- Organized recordkeeping
- Other key performance measures

# **Growth Business Structure**



# \$50,000 or more a year in revenue

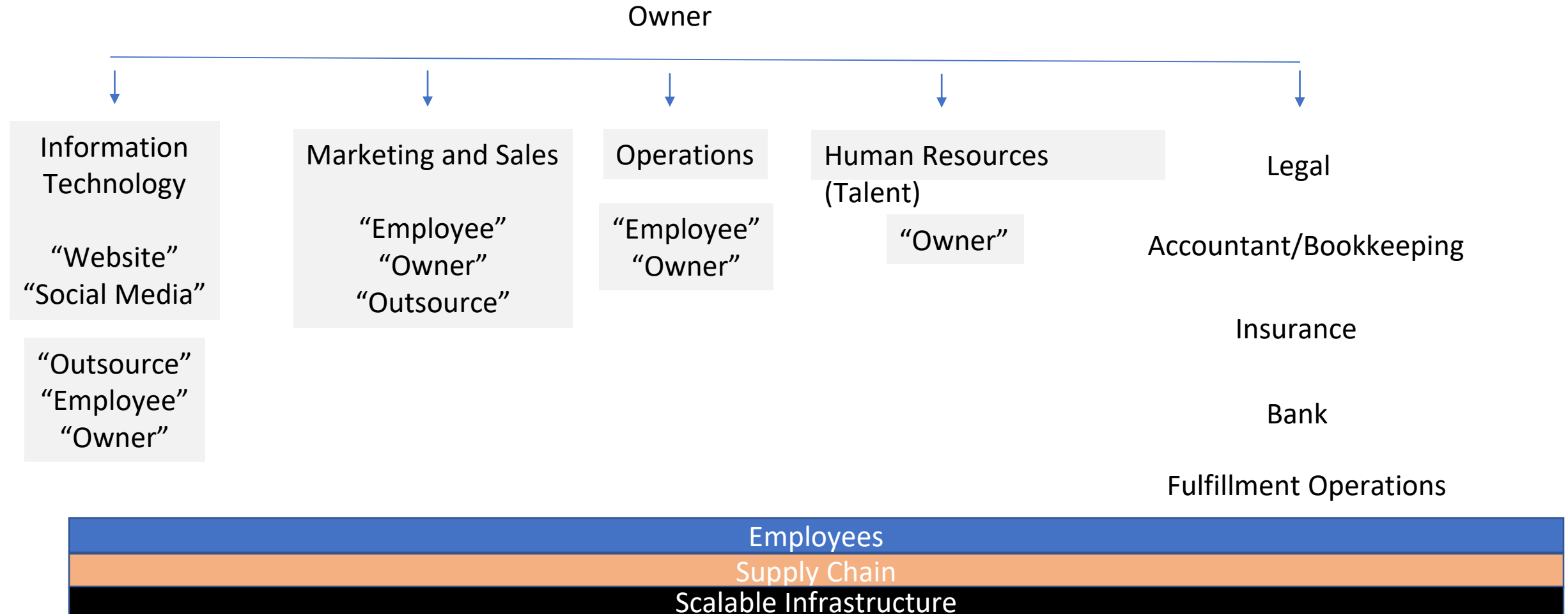
- **Professional Affiliations – in a word “essential”**
- **Owner**
  - Resources
  - Driving revenue
  - Recruiting talent
  - Adjusting the product and/or service to customers
  - Assessing risk, mitigating it
- **Human resource needs are usually best met with employees**
  - Employees add payroll considerations
  - Employees add the human element to all considerations
  - Employees add the need for infrastructure and training
- **In case growth strikes, keep in mind the concept of scale as you build out initial systems**



Small business management involves aligning and coordinating all aspects of a small business. That can include managing employees, suppliers, finances and all the daily processes of the business. A small business manager will also be responsible for overseeing the big-picture business plan

# \$50,000 or more a year in revenue

Plan, Organize, Staff, Direct, Control



# \$50,000 or more a year in revenue

## Annual Operating Plan



### Organizational Chart

- Owner activity
- Contractor activity
- Professional services
- **Employee activity**



### Lay out a year

- Marketing activities
- Operational activities
- Infrastructure integration and upkeep
- Financial activities



### Constantly revisit value proposition

- Customer experience design
- Keep up with the competition
- **Need for additional products/services**



### Financial projections

- Revenue and cash flow projections
- Customer experience design
- **Profit and Loss**
- **Tax Implications**
- **Legal Organization**



### Business Systems

- **Capacity planning for product**
- **Facility layout, location planning and analysis,**
- **Quality management system**
- **Supply chain management**
- **Inventory management and scheduling**
- **Other key performance measures**

# How to Continue to Grow

- **NEW SALES**
- **ADDITIONAL SALES TO PREVIOUS CUSTOMERS**
- **Base customer retention**
- **Adjacent markets**
- **Market positioning**
- **Merger/acquisition (must be coupled with strategy)**
- **New product/services**
- **Luck**





# Human Resources



# Human Resources Basics

- Employee Handbook
- Employees vs. Contractors
- Recordkeeping
- Minimum Wage
- Drug Policy and Testing
- Hiring/Recruiting
- Forms and Documentation
- Tax Remittance
- Background Checks
- Unemployment Compliance
- Employee Compensation
- Legal & Compliance
- Benefits/Insurance
- Workplace Conflict

# Entrepreneurial Mindset

**Commitment to Learning**

**Creativity**

**Professionalism**

**Persistence**

**Passion**

**Accountability**





# THANK YOU!



Phone: 757-664-2592

Website: [www.hrsbdc.org](http://www.hrsbdc.org)