Planning for Year-end with Initiate

September 24, 2020
Initiate as part of your larger Business Retention Efforts

• Business Performance Plan + Initiate
• Education & Training
• Access to other MEDC tools & programs
Initiate provides online tools in areas that matter most to your small business customers:

COVID-19.
MONEY.
MARKETING.
MANAGEMENT.
Strengthen Local Businesses

*Initiate*, as part of a blended learning approach, can be a powerful tool in building business acumen, instilling best practices, and understanding challenges.

In an independent study, two-thirds of NI’s customers who were engaged in blended learning - using the portal, one-on-one coaching and/or group technical assistance - reported the resources and support had helped to:

- Improve their understanding of what it takes to run a business.
- Apply that knowledge to their business with positive results.
- Increase their confidence about operating their business.
Getting Started with Initiate

- Create an account at https://medc.initiateprosperity.org
- Watch for the follow up e-mail with links to resources
- Use the Business Performance Plan to conduct a self-assessment
- Connect with recommended Initiate resources to support the business’ goals
Sample Business Performance Plan

BUSINESS PERFORMANCE PLAN

Date: 7/6/2020
Contact: Hannah Simpson
Business: Hannah’s Grace
Years in Business - Startup: Scheduled to open 10/1/2020

1 Year Goals:
- Successfully start a retail gift and home accessorizes store, be profitable in first year. Establish consistent walk-in and internet traffic.

3-5 Year Goals:
- Build a business that provides income to my family and can scale to future growth. Start creating our own product line to add to products we purchase and mark up for retail.

Step 1: Use the self-assessment scores to identify support areas

<table>
<thead>
<tr>
<th>AREA</th>
<th>Max. Score</th>
<th>Understanding this task has been applied</th>
<th>Understand and apply effectively</th>
<th>Support needed</th>
<th>Support received</th>
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<tr>
<td>CREATING A FUNDRAISING PLAN</td>
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<td>3</td>
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<td>3</td>
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<td>CREATING A HUMAN RESOURCES PLAN</td>
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<tr>
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<tr>
<td>CREATING A INTERNATIONAL PLAN</td>
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<tr>
<td>CREATING A GLOBAL PLAN</td>
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</table>

MARKETING

<table>
<thead>
<tr>
<th>TASK</th>
<th>Score</th>
<th>Understand and apply effectively</th>
<th>Support needed</th>
<th>Support received</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defining marketing target market</td>
<td>5</td>
<td>1</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Creating a marketing plan to support the revenue and profit goals</td>
<td>5</td>
<td>1</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Aligning the marketing plan</td>
<td>5</td>
<td>1</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Engaging customers through email marketing</td>
<td>5</td>
<td>1</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Using and understanding digital advertising</td>
<td>5</td>
<td>1</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Creating effective content for the marketing efforts</td>
<td>5</td>
<td>1</td>
<td>3</td>
<td>2</td>
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</tbody>
</table>

MANAGEMENT

<table>
<thead>
<tr>
<th>TASK</th>
<th>Score</th>
<th>Understand and apply effectively</th>
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<th>Support received</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utilizing time management strategies</td>
<td>5</td>
<td>1</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Developing a plan to address risks (human, structural, technological, and cash management)</td>
<td>5</td>
<td>1</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Protecting the business and customer data</td>
<td>5</td>
<td>1</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Working on strategy and vision</td>
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<td>1</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>

SYSTEMS NOTES:
- Website Platforms: SquareSpace, PayPal, etc.
- POS: To be determined
- Marketing Channels: Facebook, Instagram, etc.
- Inventory: To be determined
- Other: Provide monthly QuickBooks reports to accountant

Step 2: With your coach, review the scores and identify specific goals to achieve.

GOALS & INITIATE RESOURCES

<table>
<thead>
<tr>
<th>GOAL</th>
<th>DESCRIPTION</th>
<th>PLANNED COMPLETION DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selling to local municipalities</td>
<td>7/31/2020</td>
<td></td>
</tr>
<tr>
<td>Promoting the business through social media</td>
<td>8/15/2020</td>
<td></td>
</tr>
<tr>
<td>Increasing sales through email marketing</td>
<td>8/1/2020</td>
<td></td>
</tr>
<tr>
<td>Improving customer satisfaction</td>
<td>8/31/2020</td>
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</tr>
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</table>

Please review the above goals and initiate resources and plan accordingly.

medc.initiateprosperity.org
## Align Resources Based on Self-Assessment

### Creating a Profit & Loss (Income Statement) and Balance Sheet
- **Resources:**
  - Bookkeeping Reporting Basics
  - Chart of Accounts: Organizing Your Books
  - Income Statement

### Creating a Balance Sheet
- **Resources:**
  - Bookkeeping Reporting Basics
  - Chart of Accounts: Organizing Your Books
  - Balance Sheet

### Using financial statements to make business decisions
- **Resources:**
  - Financial Management
  - Making Sense of Your Financial Statements

### Creating and using cash flow projections
- **Resources:**
  - Value of a Cash Flow Budget
  - Planning for Cash Flow
  - Cash Flow Tool (For inventory-based businesses)
  - Cash Flow for Seasonal Business
  - Cash Flow Budgeting Template

### Reading and Improving my credit score
- **Resources:**
  - Basics of Credit Reporting
  - Credit Reporting
  - Components of Your Credit Score

### Understanding and implementing good bookkeeping practices
- **Resources:**
  - Accounting Definitions
  - Bookkeeping Reporting Basics
  - Good Bookkeeping Habits
  - Chart of Accounts: Organizing Your Books

### Marketing

#### Defining and reaching target market
- **Resources:**
  - Finding Customers
  - How to Create Target Personas
  - Marketing Situational Analysis

#### Communicating product/service features and benefits effectively
- **Resources:**
  - Marketing Situational Analysis

#### Aligning my marketing plan to support my revenue and profit goals
- **Resources:**
  - Marketing Strategies & Budget Framework
  - Marketing Strategies and Tactics
  - Marketing Channels
  - What Is Marketing Success?

#### Creating/utilizing a brand that represents my business clearly
- **Resources:**
  - Introduction to Branding
  - Brand Audit Guide
  - Analyzing Your Brand
  - Creating Brand Consistency

#### Increasing the effectiveness of my website
- **Resources:**
  - Determining the Goals of Your Website
  - Five Things Every Business Website Must Include
  - Beginners Guide to Showing up on Google
  - Producing Quality Website Content

#### Improving my social media marketing efforts
- **Resources:**
  - Choosing a Social Media Platform
  - Establish Your Online Presence with Local Listings
  - Managing my Business Presence on Facebook
  - Google My Business

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MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

medc.initiateprosperity.org
New Initiate Videos

Videos were redesigned to:

• Help business owners meet the everyday challenges and opportunities associated with running a business
• Provide a mix of real-life examples, education, and tips on implementation
• Provide access to content in both English & Español
• Better allow viewers to see themselves in our featured business owners
• Focus content and hold viewer attention
Videos

MONEY

Cash Flow

- Cash Flow Budget: Why It’s Critical to Your Business (7:56)
- Managing Cash Flow for Seasonal Businesses (4:24)
- The Impact of Inventory on Cash Flow (6:06)
- How Accounts Receivable Affects Your Cash Flow (6:16)

Financial Management

- Managing Your Finances: What Every Business Owner Should Know (11:12)
- Three Key Business Financial Statements (11:07)
- Understanding Your Profit & Loss (13:18)
- Understanding Your Balance Sheet (14:31)

Financial Ratios

- Eight Financial Ratios to Measure the Performance of Your Business (12:22)

Taxes

- Small Business Taxes: The Essential Guide (12:00)
- Managing Your Federal, State & Local Taxes (7:21)
- Getting a Handle on Payroll Taxes (7:14)
- Record Keeping Priorities (10:02)

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Videos

MARKETING

Branding
- Branding (8:54)

Marketing Basics
- Marketing: Plan, Execute & Measure (8:39)
- Five Simple Steps to Finding New Customers (17:46)
- Marketing: Strategies and Tactics (8:46)

Sales
- Small Business Strategies to Increase Sales (11:13)

MANAGEMENT

Business Management
- Business Structure: Choosing the Right One for You (21:33)

Succession/Exit Strategies
- Succession Planning: Transferring, Selling or Closing Your Business (12:20)
- Building the Value of Your Business (9:15)
- Retirement Planning (6:02)

Time Management
- Optimizing Your Time to Maximize Productivity (15:31)
Video Formatting

**MARKETING: PLAN, EXECUTE & MEASURE**
A good marketing plan starts with an understanding of what success looks like. Does yours?

**THREE KEY BUSINESS FINANCIAL STATEMENTS**
Profit & Loss, Balance Sheet, Cash Flow. Every successful business owner’s got one.

Chapters
1. Introduction
2. Profit & Loss
3. Balance Sheet
4. Cash Flow
5. Recap of the Three Financial Statements
Planning for Year-end with Initiate

1. 2020 – An unusual year, take this into account
2. Year-end is a time for introspection, analysis, improvement
3. Questions for business owners
   • What is the business doing well?
   • Has the business progressed as planned?
   • What can be Improved?
How Can Initiate Help Revise the Plan?

- Management
- Marketing
- Money
Management
Building the Value of Your Business

What is the ultimate objective of your tenure as a business owner? Form a short and long term strategy to maximize the value of your business.

Located at: Management > Succession/Exit Strategies
Management
Guide to Building a Valuable Business

- Seven questions for the owner
- Good annual exercise
- Not just an exit strategy
- Business valuation calculator

Located at: Management > Succession/Exit Strategies

There are countless reasons why business owners may decide to exit their business.

Whatever the reason, positioning your business for the sale occurs long before the sale actually takes place. You will be wise to plan for the long-term of your business from day 1. Positioning your company with an exit strategy in mind will increase the value of your business and maximize your investment of time and money in the organization. Additionally, a strong business will make it easier to access credit when needed, allow you to secure better terms, and help you weather any industry or economic downturns that may arise.

Ask yourself these seven questions to help you build a valuable and attractive business.
Marketing: Situational Analysis

Confirm your business and marketing goals with this video and related tools.

Located at: Marketing > Marketing Basics
Marketing Plan, Execute & Measure

Do your marketing efforts support your business and marketing goals? Take steps to ensure your strategies and tactics support these goals.

Located at: Marketing > Marketing Basics
Money

Cashflow Budget: Why it is Critical to Your Business?

Confirm your business and marketing goals with this video and related tools.

Located at: Marketing > Marketing Basics
Money
Cashflow Budgeting Template

• Build a 2021 monthly cash flow budget with this functional template.
• Use goals and objectives formulated previously in the Money and Marketing sections of Initiate

Located at: Money > Cash Flow
Review

Year-end Planning for Business Owners

1. Take time before year end to reflect
2. Remind yourself why you went into business in the first place
3. Are you accomplishing what your initially wanted to?
4. Consider the unusual circumstances of 2020
5. Use Initiate and other resources to form goals and a plan for 2021
6. Make your goals measurable and impactful
7. Meet with a mentor, coach, or employees to get their input