


 Vickie's VIEWS

The 3 B's of Successful Business Planning

Having helped numerous entrepreneurs with their business plans, I have come to the realization that your mindset has an enormous impact on the scope and tone of your business plan and ultimately the success of your business. If you feel that all things are possible, you will infuse your plan with ambitious goals and bold strategies for achieving them to grow your business. If you tend to be more conservative you may plan out a modest growth strategy with tried and true methods to achieve them. If you aspire to build a million dollar business, read on and see if you can identify areas where you can adjust your thinking and approach to doing business.

The 3 B's of Business Planning

1. Be Creative

There are some very creative people inventing new ways to do business partly in response to the weak economy. An example of this is mobile retailing. Some entrepreneurs are skipping the traditional brick and mortar concept and opening their retail shops on wheels. I recently read about an entrepreneur in Portland who opened a thrift shop in a converted double-decker bus. Not only was she able to lower her start up costs but she has differentiated herself from other thrift shops as well.

2. Be Inspired

People take inspiration from many different sources. For example, in 2003 two teenagers in Pennsylvania started a honey business as a way to raise money for cancer research following the death of their grandfather. In 7 years, they have donated nearly \$170,000. Inspiration can give us the purpose and drive to achieve greatness.

3. Be Courageous

It takes courage to grow your business but those who devise bold strategies and take risks experience greater rewards. In 1994, Amazon pioneered a new business model taking on the major brick and mortar booksellers by creating an online bookstore. It took 7 years for Amazon to finally turn a profit proving to complaining shareholders that their business model could be profitable.

In your quest to build your million dollar business, think about the 3 B's and consider your own mindset as you craft your business plan. I believe it's what separates the exciting and compelling business plans from the average ones.



Vickie Olson

Planning for Success:

With 2010 coming to an end, assess what went well this year and what you need to focus on in 2011 to grow your business. Ask me how.

 Business NEWS

What the Banker Found

By Kate Lister | Entrepreneur Magazine - October 2010

For the complete article, please visit:

URL: <http://www.entrepreneur.com/article/217323>

"Always dress for the job two levels above yours." That bit of advice came from my first real boss when I was a fresh-out-of-college newbie banker. She meant the advice literally. But over my corporate and entrepreneurial career, I've seen how important "dressing up" figuratively is, too, for a startup business.

If your goal is to qualify for a bank or SBA loan a year or two down the road, start dressing the part now. That means,

among other things, having a good financial management system.

Back in my days as a bank lender, I was handed a credit file on a shoe store chain and asked to review the owner's latest loan request. On the surface, it looked like an entrepreneurial success story. Based on the performance of his first shoe store, the bank had loaned him money to expand. He used it during the following three years to add a dozen stores. This request was for an increase in his line of credit and a term loan to fund his continued expansion.

My first clue that this wasn't going to be an easy deal was that in two years, he hadn't "cleaned up" (banker-speak for reduced to zero) his line of credit. A line of credit is intended to fund a temporary mismatch of cash coming in and cash

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going out—but if it maxes out and stays that way, there’s a problem.

The next red flag was that the company’s income and profit margins were moving in opposite directions.

The third was the most troubling. The owner was either unaware of a problem or had no clue to its cause because he didn’t keep good financial records.

Instead of considering his request for more money, the bank was now focused on recouping the money he already owed. Over the next several months, I worked with the owner to figure out what was going on. The fundamental problem, we found, was that about half of his stores weren’t profitable. And among those that were, profit margins varied widely.

We found more problems as we dug deeper. A physical inventory told a much different story than the number on his balance sheet: The warehouse was full of unwanted high-tops, pumps and other fallen footwear. Apparently, what sold well in one store didn’t in another, and there were no inventory controls in place to catch the shift. Poor purchasing played a role, too. And because of the difference in store-to-store cash flow, we suspected customer pilferage and employee theft. Unfortunately, we were proven right about the latter.

The owner couldn’t clean up his line of credit, it turned out, because he’d used the money to fund new stores, not for smoothing cash-flow troughs as he should have. Technically, this put him in breach of his loan agreement.

Like many entrepreneurs, this cobbler turned shoe mogul was so mesmerized by growth that he was blind to everything else. As a result, the bank downgraded his credit, put him on a watch list and forced him to track his performance on a weekly basis. If he didn’t close the unprofitable stores and get his financial controls in order, the bank would call the loan.

The lesson here, if it’s not obvious, is that the banker is the last person you want to uncover a flaw in your business operations. Regular and effective financial reports as well as proper checks and balances would have prevented this boot baron from facing impending doom. An experienced business accountant would have spotted the trouble, too.

Having a good financial management system won’t guarantee success with a lender, but the lack of one will guarantee failure. It’s never too early to dress for success.

Kate Lister is a former banker, small-business investor and veteran entrepreneur. Her books and websites include *Finding Money: The Small Business Guide to Financing* and *Undress For Success: The Naked Truth About Making Money at Home*.

Spotlight

Pacific Northwest Wine Club

Pacific Northwest Wine Club
16285 SW 85th Avenue #104
Tigard, Oregon 97224
503-620-6691
www.pnwc.com

Kevin Craig is excited to be the new owner of the Pacific NW Wine Club located in Tigard. Established in 1992,

PNWC is one of the largest wine clubs in the Pacific Northwest offering its members exceptional value on the Northwest’s finest wine varietals.

Joining the PNWC is like going on a “wine tasting” adventure. Each month, 2 varietals are delivered to our members from vineyards and wineries all over northwest, some they are familiar with and many new ones they have never tried before. Wines are pre-selected through a blind tasting attended by club members that ensure the top wines are picked each month for the varietals that are being offered.

Our standard membership offers many options. Members can choose to receive white wines only, red wines only, or a combination of both wines. Members who add the international option receive a 3rd bottle from an international growing region 4 times per year. We also offer a premium membership that delivers premium reserve level wines directly to members.

The standard membership ranges from \$32 to \$38 for two bottles of Northwest wines each month. There are no membership fees and membership is month to month with no long term commitment. We can ship the wines to our members through UPS or they can pick up at our Tigard location if they prefer. Mention this newsletter when you join and receive 2 free bottles with your first shipment.

Other benefits of membership include:

Convenience

All of the effort and confusion of selecting fine wines is gone. The PNWC seeks out premier Pacific Northwest wines, selects the best of them and delivers the winning wines to our members to enjoy.

Variety, Exposure, and Adventure

The club chooses 24 different varietals throughout the year. Some are pleasantly familiar while others will challenge the palate with the unfamiliar. The member tries new wines, new labels, and new vintages, and along the way, picks up some new preferences and knowledge of the wines in the Pacific Northwest.

Member Functions & Networking

PNWC offers a free wine tasting event each month showcasing different wines that are not being shipped out that month, with the opportunity to talk directly with the wine-maker and purchase these new selected wines. In addition to monthly wine tasting events we arrange dinners, golf tournaments, winery picnics and other functions giving members the opportunity to meet other members who share the same interest in wine.

Additional wines and special orders

Members and non-members can buy extra bottles of the monthly wine selections or special order wines. PNWC



members receive special discounts on additional bulk wine purchases.

Merchandise and Gift Items

In addition to wine, PNWC offers a limited supply of wine-related merchandise such as stemware.

For more information and a schedule of events, visit us on the web at www.pnwc.com.

Setting Goals Acheiving Results

Thursday, March 10 2011

11am to 1pm

Location - TBD

For more information on EAR events, go to <http://www.gps-4life.com/businessandteamcoachingandbusinesssupport/businessownersupport/>

Events

Northwest Classical Theater

The Two Gentlemen of Verona

December 17 2010 through Janaury 9 2011

Shoebox Theater

2110 SE 10th Ave.

Portland, OR 97214

www.nwctc.org

WEO Connect and Grow Dinner

Tuesday, January 11 2011

5:45 to 8:30pm

Madison's Grill

1109 SE Madison St.

Portland, OR 97214

www.oregonweo.org/weo_calendar

OEN Pub Talk

Seed Oregon - Round 3

Wednesday, January 12 2011

5:15 to 7pm

Backspace

115 NW 5th Ave.

Portland, OR 97209

<http://www.oen.org/events.aspx?id=180>

Connectworks

The Busy Professional's Success Bootcamp

8:30am to 3pm

Friday, January 14 2011

Barde Career Solutions

5319 SW Westgate Drive, Suite 133

Portland, OR

Entrepreneurs Advisory Roundtable (EAR)

Time Management

Thursday, December 9 2010

11am to 1pm

Cedar Hills Recreation Center

11640 SW Park Way, Room 3

Portland, OR

Networking

Thursday, January 13 2011

11am to 1pm

Cedar Hills Recreation Center

11640 SW Park Way, Room 3

Portland, OR

Marketing

Thursday, February 10 2011

11am to 1pm

Location - TBD



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