

Where to start

If you're ready to write a business plan but aren't sure where to start, here are a few places to begin your research:

1. The Wall Street Journal's Center for Entrepreneurs

This catch-all Web site for would-be business owners includes sample plans, a cash flow calculator, a large listing of businesses and franchises for sale, and a tool that helps you create a mini business plan. Visit <http://wsj.miniplan.com>

2. Entrepreneur.com

This Web site links to articles about entrepreneurship and includes almost everything you need to know to create your plan from start to finish. The site spells out each key part of a good plan and includes sample plans, a variety of business calculators and a series of articles from a business-plan expert.

3. The Small Business Administration in Richmond

The SBA's Web site, www.sba.gov, is user-friendly and comprehensive when it comes to structuring startups. The site also contains information about obtaining SBA 8(a) certification, which can link small minority-owned and economically disadvantaged companies to government contracts.

4. The Small Business Development Center of Hampton Roads

The SBDC, with offices on both sides of the water, offers classes that walk an entrepreneur through the business plan piece by piece. The SBDC also offers counseling sessions for reviewing and tweaking plans. For more information, go to www.hrsbdc.org.

5. Electronic forms

There are plenty of templates to get you started. Felicia and Rick Mariani used a Power Point template to help them brainstorm their plan, for instance. But beware of programs that claim to do the work for you.

"A lot of people use a software called Business Plan Pro," said Lauren Small, counselor at the Small Business Development Center in Chesapeake. "It can be good because it gives you a structure, but it can be very, very bad."

The problem, said Small, is that the software gives small businesses considerably more information than they need in their plan, and it also creates plans that look like they were created using a computer.

"It spits out charts, graphs, statistics. When you turn in a Business Plan Pro plan to a lender, often they can spot it, and if it doesn't work, you lose credibility. We cringe when we see it."

The business plan is your friend

Three successful businesses tell how to put a plan in place

By Ashley Wilson

Drafting a business plan: Most entrepreneurs will tell you it's one of the scariest parts of planning a small business. It's also the one step that plenty of small business startups avoid.

"The business plan should be written before you put any money into the business," said Debra Farley, a counselor with the Hampton division of the Small Business Development Center. "But nine out of 10 people open their doors before they complete the writing. And some of them get a grasp of it immediately after opening when they see, these are things I needed to think about before I started."

One of the best ways to write a winning plan, said Farley, is to find mentor businesses with a track record of success and to ask for advice. Here are some business-plan tips from three Hampton Roads companies that started small and grew fast – sometimes exponentially.

• As you plan your financials, know when to scrimp and when to be a liberal spender.

There aren't any gleaming marble walkways, mirrored walls or corporate art at the headquarters of Sorrentino Mariani & Co., a Norfolk-based company that manufactures furniture for the hospitality industry. Instead, the stark, industrial-looking factory is situated between a neighborhood of ramshackle houses, a graveyard and a railroad track in South Norfolk. And that's not a bad thing.

"We go to our clients, so we don't need a fancy storefront with a pretty face," said Senior Vice President Felicia Mariani. "Our business is guts first."

When Felicia bought into the business about 14 years ago, she took some good advice.

"I can't tell you how many times I've sat down with a banker and I've said, do you think it would be wise to invest money into a fancy office? They said,

don't do it."

The company has been freer with its money in the marketing department. Felicia and her husband, President and CEO Virgil "Rick" Mariani, plan for several key trade shows a year. They've also had a professional marketing firm design full-color, full-page advertisements for several trade magazines. In each ad, a piece of glowing all-wood furniture is depicted in a sunlit grove of trees. An acorn at the foot of one chest quips, "I know what I want to be when I grow up." Rick says some buyers regularly look for the Sorrentino & Mariani ads.

"When you write your plan, include a marketing budget and stick to it," said Rick. "And include advertising and marketing as a business expense. It was tough to take 10 grand for a full-page ad in a trade magazine instead of a new machine, but the throughput doesn't matter if you can't sell the stuff."

The company's first big marketing push was a big risk – a campaign launch just after the Sept. 11, 2001, attacks, when the hospitality industry took a plunge.

"Nobody would travel. The hospitality businesses went to heck in a hand

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THIS ARTICLE IS ONE IN AN OCCASIONAL SERIES ON STARTING A SMALL BUSINESS.



Felicia and Rick Mariani, here in their Norfolk furniture factory, know firsthand that companies shouldn't scrimp on the marketing segment of a business plan. After launching their first aggressive ad campaign, they began winning 300-room contracts from hospitality customers all over the country.

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basket," said Felicia. "We had all this furniture sitting around in our factory that we couldn't move, because hotels didn't know if they were going to book tomorrow or 20 years from now. And that's when we decided to advertise. It was do or die."

The strategy has paid off. "Marketing is all about perception, because it gives the customer the perception that you're bigger than you really are," said Rick, who mentioned that the company didn't begin winning 300-room contracts until it began an aggressive marketing scheme. Today, the company employs more than 75 workers and reported \$7.5 million in revenue for 2005. The company's advertising budget is currently 1.34 percent.

• Structure your business plan for future growth.

It's easy to think too small when you write a business plan – if you write one at all. Just ask Chris Stuart, general manager of Top Guard Security, one of Hampton's largest privately owned and locally based employers with approximately 400 on staff. The company, which Stuart and his wife Nicole purchased in 1996, provides uniformed security guards to businesses all over Hampton Roads.

When Stuart took over the company, Top Guard was a "quaint" firm with 140-odd guards and no business plan. Instead, the company focused on providing service to its existing contracts. The strategy worked for a while – until business started pouring in from all directions.

"In the spring of last year, we were awarded a major municipal contract and a university security program," Stuart said. "We had about 28 days' notice for one contract. So we grew by about 150 employees in 45 days."

The result was mild pandemonium. "We had to set up another office



Chris and Nicole Stuart, pictured here with their business's mascot, Barney the bulldog, were forced to rethink a business plan when their company, Top Guard Security, grew by 150 employees in 45 days.

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rather quickly, and the space we found didn't even have a front door for the first seven days," he said. "Then, as you're adding staff to handle that growth, you're training the staff as they take on their functions, so there's a reason they call it growing pains. Sometimes, during a growth period, there's no recipe besides clocking 14 to 18 hours a day for several weeks."

A well-timed business analysis through an outside consultant convinced the Stuarts that they should

expand their HR department's management team. The Stuarts also decided to limit their list of products and services, cutting out seasonal contracts for motel tour groups. That meant sending out polite termination letters to a half dozen customers, Stuart said.

"We had a series of motels in a particular part of Hampton Roads where we realized that for a very small amount of billing, we were spending an inordinate amount of effort and energy – low-morale, high-turnover contracts.

So we decided to commit only to non-seasonal work," said Stuart.

The decision was a good one. Stuart reports the company is about to see 100 percent contract renewal for those contracts that mature at the end of the year.

"It's hard to turn business down. It's one of the toughest things to say no to," he said. "But once you do it the first or second or third time, you start to see the effects. A month or two later, a bet-

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ter opportunity comes up."

Now, Stuart says, Top Guard has a "wonderful" plan and organizational chart with an HR department that is separated from operations – unusual for many security firms.

"A year ago, we were so busy taking care of our new obligations that we didn't take time to look at organization. But as you grow, you learn that the job descriptions for managers that seem unnecessary for small businesses in the beginning become necessary when your accounting department goes from an owner to three additional people who need to know their responsibilities. You're delegating functions that the owner used to do at 9 o'clock at night."

• Get a good accountant to help.

When most people think of small business owners, they're not likely to consider Denise Robinson, president of Dataline Inc., a Norfolk-based IT company that employs more than 350 people nationwide. But 15 years ago, Robinson and her husband, Casey, started the company from scratch, hawking computer hardware to Hampton Roads customers.

Robinson's business plan has been her mainstay and something she reviews and tweaks at the beginning of every year. But the business plan never would have come about without the help of her accountant, she said, who walked her through the process of structuring the young company long before it even became 8(a) certified.

"We hooked up with a very good accounting firm with managerial skills from the beginning, and they helped us put together a plan," said Robinson, who has worked with Cherry, Bekaert & Holland for 15 years straight. "They provided introductions to attorneys when we needed to do corporate changes or put in a bigger HR department."

Robinson's accountants helped her restructure her plan year after year as the business added key management staff; expanded from products-only offerings to extensive enterprise storage, software design and disaster-recovery services; won federal contracts and added hundreds of employees. Last year, the company reported \$95 million in annual revenue and won a \$49.9 million contract from the Naval Warfare Surface Center's Crane Division.

That's not to say, however, that you should leave the number-planning completely to the professionals, Robinson said.

"You have to know what your payroll costs, what your hard costs are," she said. "You have to know what it costs to run your business and where your business comes from. If you understand that, you can be flexible and turn on a dime."