

Chapter 35 Developing a Business Plan

Section 35.1 The Business Plan

Review Key Concepts

1. The four major parts of a business plan are description and analysis, organizational plan, marketing plan, and financial plan.
2. The self-analysis shows the entrepreneur's strengths and weaknesses. It allows him or her to plan ways to acquire the needed skills that are lacking or to improve in certain areas. Plans for continuing personal development show potential lenders and investors your intent to improve on your existing skills and abilities as a business owner.
3. Disposable income is the personal income remaining from wages after all taxes are taken out. Disposable income is also known as "buying income" because this is the money consumers have to spend on the products and services offered by businesses.

Practice Academics

English Language Arts

4. Reports will vary depending on area selected. Reports should be organized, concise, and free of spelling and grammatical errors. Students should include information about age, gender, population, racial/ethnic, and educational statistics; and economic data such as income, major industries, labor force participation rates, levels of employment, labor force participation rates, and major industries.

Mathematics

5. Town B Buying Power Index = .0152 $[(.5 \times .025) + (.3 \times .005) + (.2 \times .006) = .0152]$