

Chapter 5 Entrepreneurship

Section 5.2 The Business Plan

Section Summary with Key Terms and Academic Vocabulary

The Business Plan Before you decide to start a particular business, you need to see if there is demand for your product or service. This requires doing market research. If research shows that you have a viable business, then develop a business plan. A business plan is a written description of a new business venture. It describes all aspects of the business. It also helps entrepreneurs to focus on exactly what they want to do, how they will do it, and what they expect to accomplish. The business plan is an essential tool to attract potential investors and financing agencies for start-up funds. It includes a description of the firm, market analysis, competitive analysis, and financial information.

Key Terms _____

business plan A written description of a new business venture that describes all aspects of the business

executive summary A brief recounting of the key points contained in a business plan

vision statement A statement that establishes the scope and purpose of a company and reflects its values and beliefs

mission statement A statement that expresses the specific aspirations of a company, the major goals for which it will strive

Academic Vocabulary _____

section A distinct part or portion of something written

concept Something conceived in the mind

establish To gain full recognition or acceptance

data Factual information used as a basis for reasoning, discussion, or calculation