

March 2006

# The Capital Minute

Planning

Your Way to  
Success

**P.T.  
Barnum's  
Golden Rules  
for Making  
Money**

WRITING A  
BUSINESS PLAN  
COVER LETTER  
—PART 1

HOW LONG AND  
DETAILED SHOULD  
BUSINESS PLANS BE?

<http://www.business-plan-secrets-revealed.com>

# from the editor

## Mike Elia



## The Power of the Pen

Letter writing. It almost seems like a lost art today. Our fast paced environments cause many of us to get caught-up in zipping off email requests and responses. Often forgetting that a well-written business letter is still the greatest potential creator and transactor of business in the world...especially when it comes to promoting your business plan.

This issue of the Capital Minute contains the first article in a series on how to use this universal implement of business—on paper and electronically—to promote your business plan to prospective stakeholders. [“Writing a Business Plan Cover Letter – Part 1”](#) serves as a reminder of the role this idle, often underutilized tool can play in the business plan process.

As we recover the lost art of letter writing, the debate over whether you need a big thick business plan or a brief one wages on. Fear not. Art Hamel has the answer as he looks back over his 50 years and 200 deals to let you know if size really matters in [“Business Plan Tips For Getting All The Cash You Need To Buy Large, Multi-Million Dollar Companies—How Long And Detailed Should Business Plans Be?”](#)

Not matter how long or brief your business plan is...one thing is for sure...your plan will include a marketing plan. Of course you already know this. But, Charlene Rashkow’s 6 tips on [“Planning Your Way to Success”](#) may just save you from floundering for direction and wasting a lot of time and energy preparing one.

And, speaking of success, I came across an interesting 135 year-old plus manuscript titled [“The Art of Money Getting - Golden Rules for Making Money”](#) by P.T. Barnum. Yep...he’s the circus guy. What could you learn from this 1800’s circus showman, who referred to his enterprise as “The Greatest Show On Earth!”? See for yourself in this excerpt [“Don’t Mistake Your Vocation”](#) the first principle and the one most sure to success.

To your success,

Mike Elia CPA, MBA

Editor

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### Contributing Authors:

Art Hamel  
Charlene Rashkow  
Mike Elia

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## Insights

# Business Plan Tips For Getting All The Cash You Need To Buy Large, Multi-Million Dollar Companies

## *How long and detailed should business plans be?*

By Art Hamel

It's amazing how much misinformation there is about business plans. One of the biggest questions people have is about how long and detailed business plans should be. Should they be like big thick books, or are these things generally pretty brief?

Truth is, it depends.

It depends on how big the company is and how complicated it is. A business plan of a start up business making no money -- for example -- is going to be bigger than the ones that are running and making money already. What you have to do is spell out -- in enough detail -- all the necessary information on the financials, the industry, the company, and especially the management to satisfy whomever you're trying to persuade to finance it.

The management part is especially important if you plan to get investor financing.

Why?

Because people putting up money are going to want to know not only how long they've been there and what their history with that company is...but they'll also want to know what their full background is. And the more you spell out, the better.

Bottom line: People tend to make business plans more complicated than they are, and there are things you need to know, but it's not rocket science. Just remember, if you're buying a \$10 million business, you'd better make sure your business plan looks like a \$10 million business

plan. If you're buying a \$50,000 business then it only needs to look like a \$50,000 business plan.

If you need help, simply hire someone to help you -- just like you'd hire a CPA or lawyer. Find somebody that does a professional job and it's worth it. If you're strapped for cash, but have done your homework and know you have a good thing, there are books and software at most libraries that can help you. CM



*Arthur B. Hamel has bought over 200 businesses in the past 50 years, and is a well-known author, consultant, investor, business owner, and dynamic lecturer who has shared the stage with such business greats as Robert Allen of "No Money Down" fame. For the past 20 years Art has taught thousands of people around the world -- even so-called "little guys" with no formal education or money -- how to quickly and easily buy large, multi-million dollar businesses with no credit, banks or prior business experience. He has recently decided to share his unique business-buying secrets and tactics free of charge at: <http://arthurhamel.com>*

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Have you been overlooking the opportunity to use the letter to promote your business plan to prospective investors?  
By Mike Elia



# WRITING A BUSINESS PLAN COVER LETTER—PART 1

The business plan cover letter is today the greatest potential creator and transactor of deals in the world. But wide as its use is, it often lies idle...an undeveloped possibility for business owners and entrepreneurs that could play a powerful part in promoting their business plan.

The letter is a universal implement of business--that is what gives it such great possibilities. It is the servant of many businesses, regardless of size or character. It matters not who uses it. Wherever businesses communicate with each other, the letter-- electronic or paper--is found to be the first and most efficient medium.

Analyze for a moment your own business. See how many points there are at which the "right" letter or email could be used to a good advantage. Have you been overlooking the opportunity to use the letter, at a small cost, to promote your business plan to prospective investors?

The letter is the greatest sales tool known to business. It will carry your story wherever the mail or the worldwide web goes. It will create contacts and bring back inquiries a thousand miles to its author. As an entrepreneur or business owner trying to develop interest in your business plan,

the business plan letter will find prospective investors and win their interest for you in remote cities that you could not otherwise reach.

But the business plan letter is not only a direct sales piece; it is your promotional sales force. Judiciously centered upon a given territory or type of investor, business plan letters pave the way for you. They serve as your introduction. After your call, they serve to remind the prospective investor of your business plan and progress.

Business plan letters also keep you in touch with investors and build trust. With regular and special letters, you extend your own enthusiasm for the business plan quickly and consistently.

So in every phase of promoting your business plan, the business plan letter makes it possible for you to keep your finger constantly upon the pulse of your investment community.

Your letters offer you a medium through which to keep your prospective investors in the proper mental attitude toward your venture, the subtle factor upon which eventual funding so largely depends.

The letters can quietly and quickly secure information. Knowing prospective investors you can send forth half a dozen letters and a few days later or within hours electronically have in your possession a comprehensive report about the interest of almost any prospect. And the business plan letter will get this information where you would often fail because it directly displays your frankness and pride.

#### The business plan letter:

- Promotes Your Business Plan
  - Directly
    - To Investors
    - To Suppliers
    - To Employees
  - Indirectly
    - Builds Up Lists
      - Secures Names
      - Eliminates Disinterested Prospects
      - Classifies Interested Prospects
- Opens Up New Investment Alternatives
  - Through Multiple Investors
  - Shows Possible Returns
  - Introduces New Venture
- Handles Long Range Investors
  - Supplies Personal Contact
  - Wins Confidence
  - Builds Relationships
- Develops Prestige
  - Gives Personality To Business
  - Builds Up Good Will
  - Paves Way For New Prospects

The practical uses of the business plan letter are almost infinite: locating prospective investors, developing creditability, or keeping investors up-to-date. There is scarcely an activity within the business plan process that cannot be carried on by letter.

At every point that marks a transaction between investment houses or individuals, you will find some way in which the business plan letter rightly used, can play an integral part.

There is a romance about business plan letters as fascinating as any story--not the romance contained in sweet scented notes, but the romance of big things accomplished; organizations developed, businesses built, great business ventures founded. CM

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*Mike Elia is a chief financial officer and an advisor to venture capitalists and leverage buyout specialists. For more information about business plans and raising capital for your business or to review his business plan manual, visit <http://www.business-plan-secrets-revealed.com>.*

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#### MASTER THE ART OF ATTRACTING AND CONVINCING INVESTORS



*"Mike delivers what he promises on the title page: he teaches you how to quickly gather evidence, build a case for your business, and write a readable plan that attracts investors and makes your business the most appealing investment choice. Even if you already own other business planning resources, I highly recommend Business Plan Secrets Revealed." Art Tuner, <http://selfemploymentstation.com>*

Learn how to write a business plan that improves your image, attracts more investors and increases funding dollars. Filled with practical advice, invaluable examples and cost-cutting tips, Business Plan Secrets Revealed is for anyone who wants to create a business plan that sells.

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## Business Wisdom From The Past

# P.T. Barnum's Golden Rules for Making Money

*"I fully believe that if you faithfully follow my methods you cannot fail."*

P.T. Barnum



P.T. Barnum revealed to the world his philosophy on making money in "[The Art of Money Getting - Golden Rules for Making Money.](#)"

### Don't Mistake Your Vocation

The safest plan, and the one most sure of success for the young man starting in life, is to select the vocation which is most congenial to his tastes. Parents and guardians are often quite too negligent in regard to this. It very common for a father to say, for example: "I have five boys. I will make Billy a clergyman; John a lawyer; Tom a doctor, and Dick a farmer." He then goes into town and looks about to see what he will do with Sammy. He returns home and says "Sammy, I see watch-making is a nice genteel business; I think I will make you a goldsmith." He does this, regardless of Sam's natural inclinations, or genius.

We are all, no doubt, born for a wise purpose. There is as much diversity in our brains as in our countenances. Some are born natural mechanics, while some have great aversion to machinery. Let a dozen boys of ten years get together, and you will soon observe two or three are "whittling" out some ingenious device; working with locks or complicated machinery. When they were but five years old, their father could find no toy to please them like a puzzle. They are natural mechanics; but the other eight or nine boys have different aptitudes. I belong to the latter class; I never had the slightest love for mechanism; on the contrary, I have a sort of abhorrence for complicated machinery. I never had ingenuity enough to whittle a cider tap so it would not leak. I never

could make a pen that I could write with, or understand the principle of a steam engine. If a man was to take such a boy as I was, and attempt to make a watchmaker of him, the boy might, after an apprenticeship of five or seven years, be able to take apart and put together a watch; but all through life he would be working up hill and seizing every excuse for leaving his work and idling away his time. Watch making is repulsive to him.

Unless a man enters upon the vocation intended for him by nature, and best suited to his peculiar genius, he cannot succeed. I am glad to believe that the majority of persons do find their right vocation. Yet we see many who have mistaken their calling, from the blacksmith up (or down) to the clergyman. You will see, for instance, that extraordinary linguist the "learned blacksmith," who ought to have been a teacher of languages; and you may have seen lawyers, doctors and clergymen who were better fitted by nature for the anvil or the lapstone. CM

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*This is an excerpt from P.T. Barnum's manuscript, "The Art of Money Getting - Golden Rules for Making Money," A complete downloadable version of this manuscript is available for just \$6.00 at <http://www.business-plan-secrets-revealed.com/artofmoneygetting.html>*



Whether you are a small company or a larger corporation one of the primary keys to success lies in preparing and following a good marketing plan. Why? Because you can have the most awesome product or service to offer, but without a plan in place, you may flounder for direction and waste a lot of time and energy as a result.

#### **What a Marketing Plan Should Include**

As you prepare your plan it should contain data and specifics pertaining to your company's goals, the product or service you're offering, how you intend to market it and a means for measuring your success. Generally speaking, larger companies create plans that are extremely comprehensive in size and nature while smaller companies will do just as well with a briefer strategy.

# Planning

## Your Way to Success

By Charlene Rashkow

### Create an Objective

Starting with a clear objective for your marketing plan may mean spending a bit of time in contemplation but it's important to be certain as to the overall purpose and objective of your company. Take some time to focus on what you really want to achieve and you'll get there much faster.

As an example, when I first began my writing/consulting business, I thought long and hard as to what I intended. It was essential that I share my talent in a positive and meaningful way so that not only was I personally rewarded but I also wanted to be sure it would help other people succeed. I knew that I wanted to create material that would be impressive, effective and dynamic, but I also relished in the idea of empowering other people. So with those thoughts in mind I created an intention that aligned with my purpose. It is as follows: "My intention as a Writer/Consultant is to fully succeed at providing my clients with high quality written material that uniquely reflects their objectives while helping them stand apart from the crowd!"

### Be Aware of Your Market

Consider whether there are particular trends in your industry. Pay special attention as to which audience you are trying to reach. Have you researched the need for your product? Are you aware of your competition? Are layoffs affecting your particular arena and if so is it to your benefit or detriment? The economy does not necessarily influence some industries, but because it does have some bearing on many markets, you may want to be aware of those markets.

### Your Marketing Strategy

If you are not promoting your business in some way, it's easy to forget your company, therefore including an effective marketing strategy is essential. Think about some of the largest companies in the world and how they are constantly brainstorming in an effort to keep the public's attention. Notice how we are collectively bombarded with new commercials and announcements daily making sure we never forget certain products or services. Of course most of us

cannot compete with huge companies, however there are many ways to promote your business without it costing a lot of money. It simply requires a bit of thought and creativity.

### Setting Time and Accomplishment Goals

Generally your plan should cover a period of from six months to a year. Ask yourself periodically if you've taken all the steps that you planned. Are you within your schedule? Are you attracting the clientele you had hoped to attract? Are you making good contacts that return or send referrals? Are you building rapport with customers? Does the plan need some rearranging or rethinking? Check the plan you've prepared on a monthly basis as a measure for meeting your goals and objectives. If you find that you're on target keep the plan in place. But if you obviously see that something isn't working, rethink your marketing strategies.

Finally, while you may hope for the day when you can sit back reaping the benefits of your efforts, you can never stop marketing. You must keep an open mind and never get stuck in sameness. If you find one avenue isn't bearing fruit, simply recognize it as an opportunity to explore other possibilities. Or simply get back to basics, which includes writing a new article, sending out a press release, saying hello to old clients via e-mail or simply getting quiet for a few days until you're inspired. As it is your goal to have the world beat a path to your door, keeping a good marketing plan updated and refined is crucial to the success of your business. CM

### About the Author

*Charlene Rashkow is a Writing Stylist who has successfully written outstanding business material for companies and individuals for more than 15 years. Creating clever promotional materials, Charlene is well known for her press releases, web site content, business plans, resumes, brochure copy and ghostwriting manuscripts. You may visit Charlene Rashkow at [www.allyourwritingneeds.com](http://www.allyourwritingneeds.com), email her, or call her directly at (310) 514-4844.*

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#### Letters

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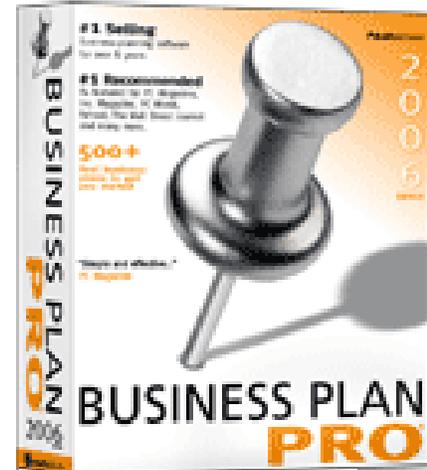
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You can also send us articles via snail mail:

Mike Elia  
Elia & Partners, LLC  
8417 Arbory Hill Ct  
Dublin, OH 43017

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