



From Business Model Decisions to a Simple Business Plan

Turning your model decisions into a logical flow that ends in a profit you can sustain

Business Design Options

Before building a financial plan, let's reconnect with the lifestyle and growth characteristics that guide your business decisions.

Lifestyle Integration

Your business exists to support the life you want to live, not replace it. Consider how your model honors personal time, energy levels, and family commitments.

Growth Intentions

Are you building for sustainable stability, gradual expansion, or rapid scale? Your growth vision determines everything from pricing to team structure.

Service Philosophy

The depth and quality of transformation you provide shapes capacity limits, delivery methods, and the value exchange with clients.

Common Planning Pitfalls

Avoid these frequent missteps to ensure your business plan is robust and realistic.

Premature Spreadsheet Obsession

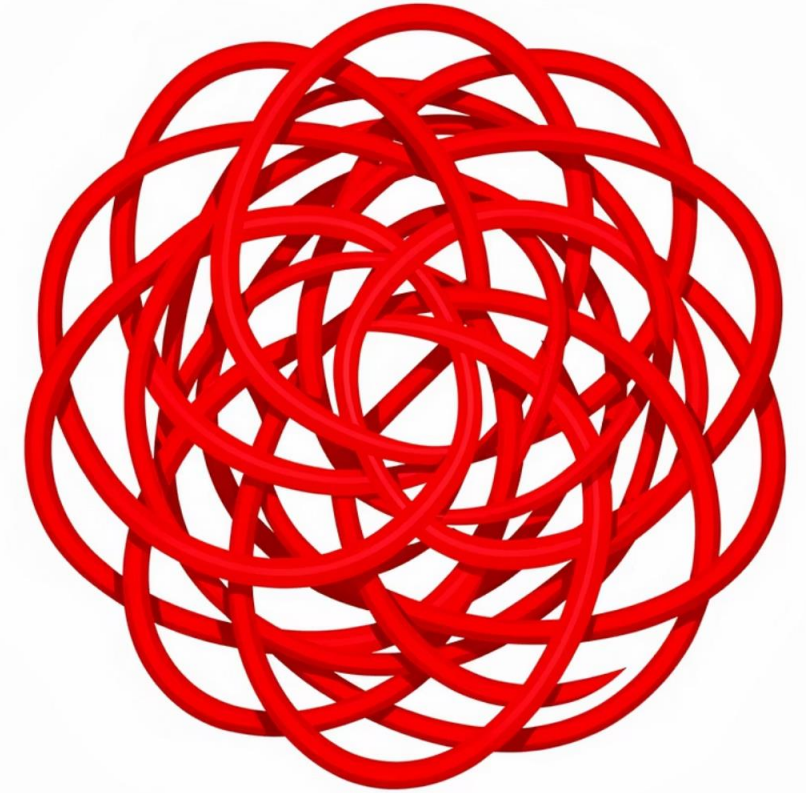
Jumping straight to numbers before fully defining your operational logic often leads to unrealistic projections and missed opportunities.

Ignoring Cost Categories

Not thoroughly understanding and categorizing all potential costs (fixed, variable, startup, operational) can cripple profitability and cash flow.

Overlooking Market Validation

Assuming demand without thorough market research or testing can lead to products or services no one wants to buy.



Today's Goal

Build a simple business plan framework that connects business model decisions to potential revenue, costs, and profit — conceptually, not numerically. We'll map logic, not calculate spreadsheets.

- This is about understanding cause and effect: how each business decision ripples through to your bottom line and personal sustainability.





Your Plan is a Living Document

Your business plan is based on what you know and want today—not perfect predictions. It's designed to be iterative: you'll learn from experience and adjust as you go.

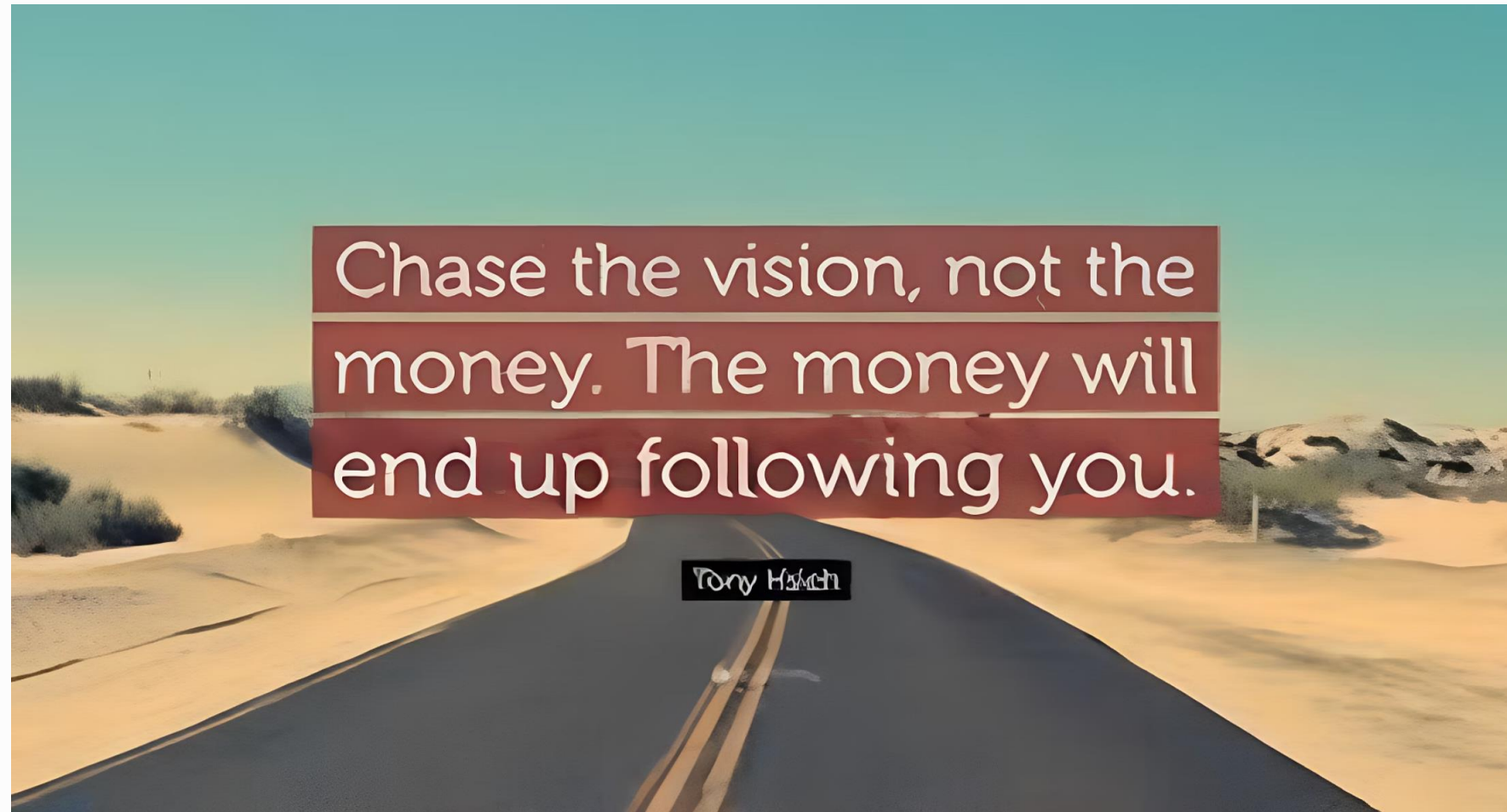
Review frequency matters:

- During startup: Monthly or quarterly reviews as you're learning rapidly and testing assumptions
- As business stabilizes: Quarterly or semi-annual reviews to ensure alignment

Update your plan when:

- Your capacity changes (more or less time available)
- Pricing shifts based on market feedback
- New costs emerge or old ones disappear
- Life circumstances change
- You learn something significant about your market or delivery

The goal is clarity for today's decisions, not a rigid long-term forecast. Your plan evolves as you and your business evolve.

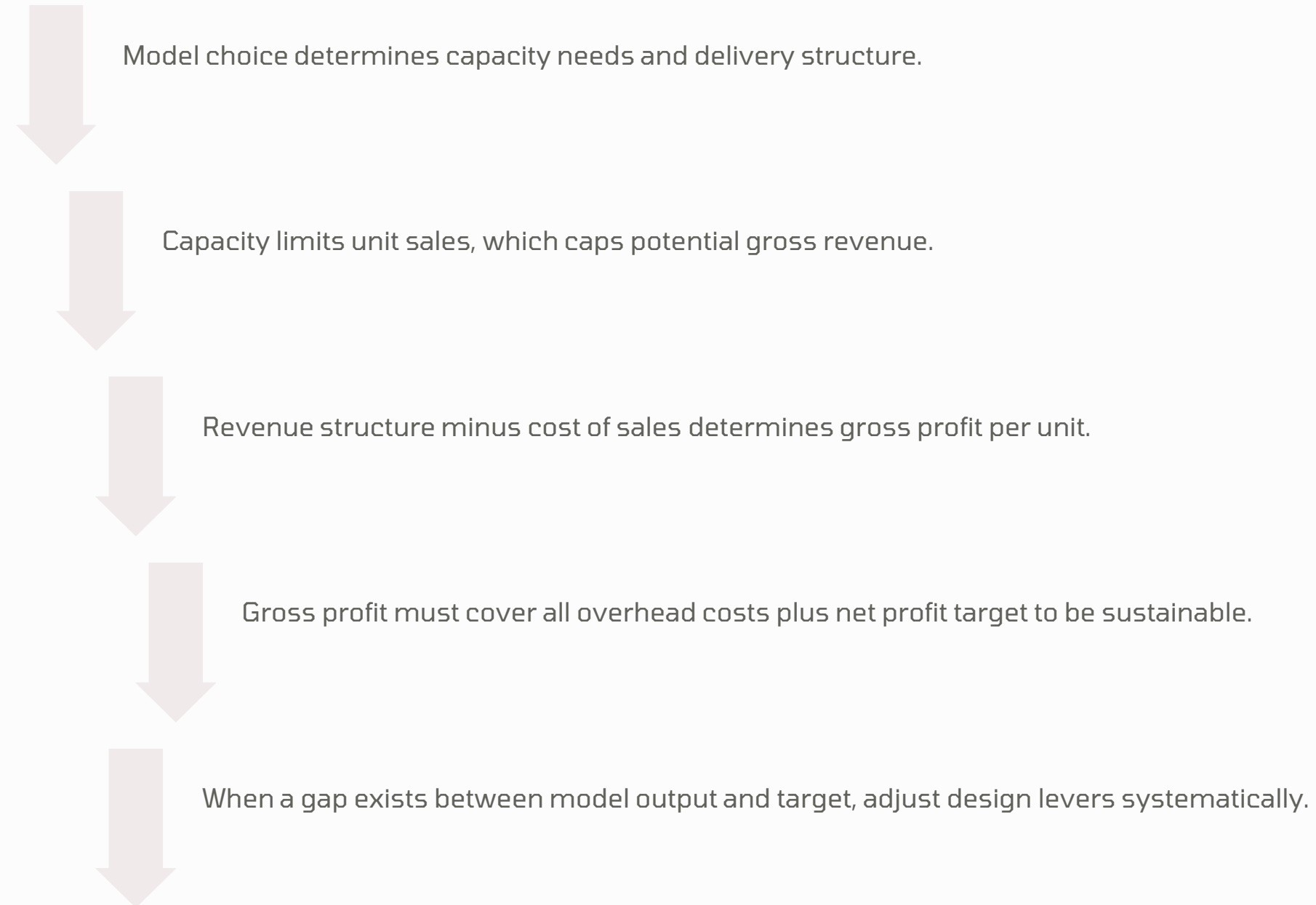


- **Vision**

- Harness abilities
- Focus on goals
- Provides a destination
- Arranges priorities

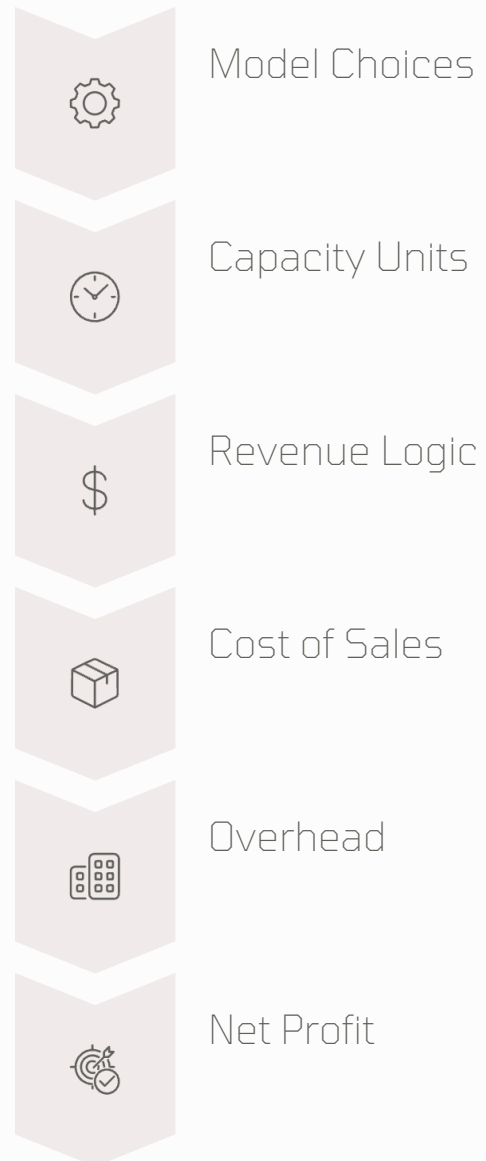
Understanding the Business Logic Flow

Your business plan works as an integrated system where each decision flows into the next:



The Big Picture: Your Plan Map

Here's the logical chain we'll explore together. Each box connects to the next, creating a clear path from business model choices to sustainable profit.



If there's a gap between reality and your success target, you'll pull strategic levers to redesign—not just push harder.

Define Your Unit of Sale

Every sustainable business has a core unit—the repeatable thing you sell and deliver. This becomes your planning foundation.

Common Unit Types

- Individual client engagements or sessions
- Service packages or bundled offerings
- Program seats or cohort spots
- Monthly subscriptions or memberships
- Project-based deliverables
- Brand Product Offerings



Key question: What is the one repeatable delivery that generates the majority of your revenue?

🕒 STEP 2

Map Your Capacity Reality

1

Calculate Available Hours

Start with total work hours per week, then subtract time for administration, marketing, learning, and rest. What remains is actual delivery capacity.

2

Determine Delivery Hours Per Unit

How much time does one unit actually consume? Include prep, delivery, follow-up, and recovery time between engagements.

3

Calculate Maximum Units

Divide available hours by hours per unit. This reveals your realistic capacity ceiling—before burnout, not at it.

📌 Capacity is your most precious resource. Honor it in planning, or your business will dishonor your life.



\$ STEP 3

Outline Your Revenue Logic

Map how money flows into your business. Focus on the structure and patterns, not specific dollar amounts yet.

01

Core Revenue Stream

Your primary offer—the unit you defined in Step 1. This should represent 60-80% of total revenue for stability.

02

Add-On Services

Supplementary offerings that enhance core delivery or serve existing clients more deeply.

03

Recurring Revenue

Subscriptions, retainers, or ongoing support that creates predictable monthly income.

04

Pricing Structure

One-time fees, payment plans, tiered options, or value-based pricing models that align with client needs.

Before We Define Costs: Think Conceptually First



We've covered money flowing **into** your business; now, let's focus on money flowing **out**. A critical distinction is essential before detailing costs.

What costs are **only triggered** when you deliver a product or service, versus what exists **regardless** of sales volume?

This is the core difference between **Cost of Sales** (variable, delivery-dependent) and **Operating Expenses** (fixed, ongoing). Getting this right prevents the common mistake of conflating delivery costs with overhead, ensuring accurate profitability analysis.

Define Cost of Sales (COGS)

These are costs triggered only when you deliver a unit. If you don't sell it, you don't incur these expenses.

Common COGS Categories

- Materials or supplies specific to client work
- Contractor fees for delivery support
- Platform fees per transaction or user
- Shipping or fulfillment costs
- Client-specific software or tools

Critical distinction: If the cost exists whether you sell or not, it's overhead—not cost of sales.



STEP 5

Calculate Gross Profit (Conceptually)

Gross Revenue

All money flowing in from sales

Minus COGS

Costs directly tied to delivery

Equals Gross Profit

Money available to cover everything else

Gross profit is the fuel that powers your business. It must cover all overhead costs, unexpected expenses, business investment, and your personal income target.

📌 If gross profit feels too thin after COGS, revisit pricing or delivery efficiency before moving forward.

Identify Overhead Costs

Overhead includes all costs required to run the business, regardless of whether you make a sale this month or not.



Workspace & Utilities

Rent, internet, phone, electricity—the infrastructure that keeps operations running.



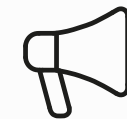
Technology & Tools

Software subscriptions, website hosting, CRM systems, and professional tools you use monthly.



Insurance & Legal

Liability coverage, business licenses, professional memberships, and compliance costs.



Marketing & Visibility

Advertising spend, brand presence, networking events, and client attraction activities.



Administrative Support

Bookkeeping, virtual assistance, or operational roles that don't directly deliver client work.



Professional Development

Training, certifications, coaching, and continued learning to maintain expertise and relevance.

STEP 7

Separate Fixed and Variable Overhead

Understanding which costs remain stable and which fluctuate helps you predict cash flow needs and identify adjustment opportunities.

Fixed Costs

Same amount every month, regardless of activity level or sales volume.

- Software subscriptions
- Insurance premiums
- Rent or lease payments
- Salaried team members

Variable Costs

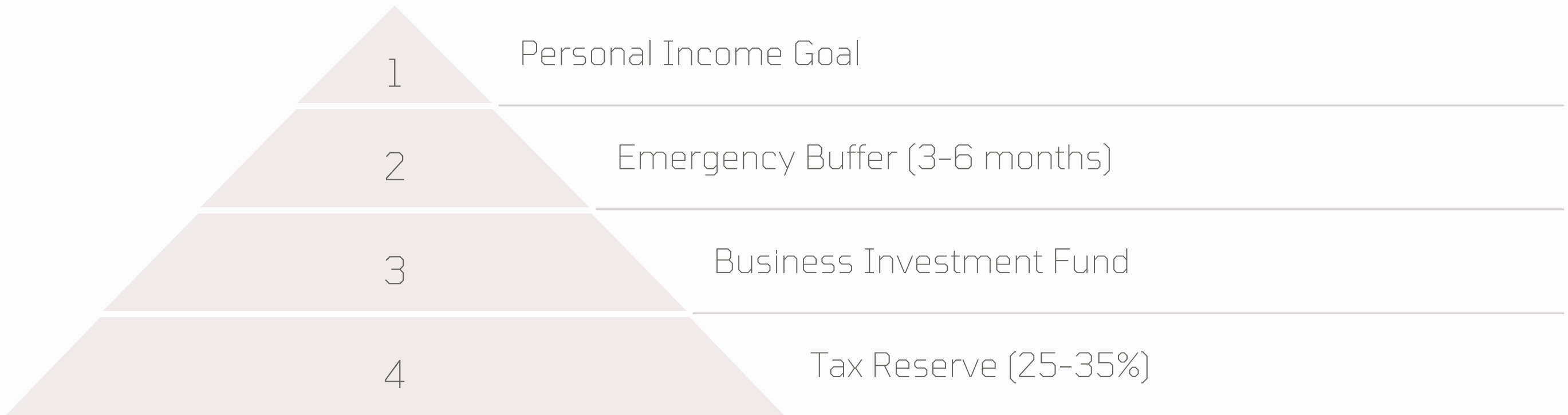
Fluctuate based on business activity, client load, or strategic choices.

- Marketing ad spend
- Fuel or travel expenses
- Commission-based payments
- Event or networking fees



Connect to Your Net Profit Target

Net profit isn't just what's left over—it's what supports both you and the long-term health of your business.



Return to your definition of success from earlier sessions. Your net profit target must align with the lifestyle and growth characteristics you've chosen—or something in the model needs to shift.

The Gap Test: Reality Check



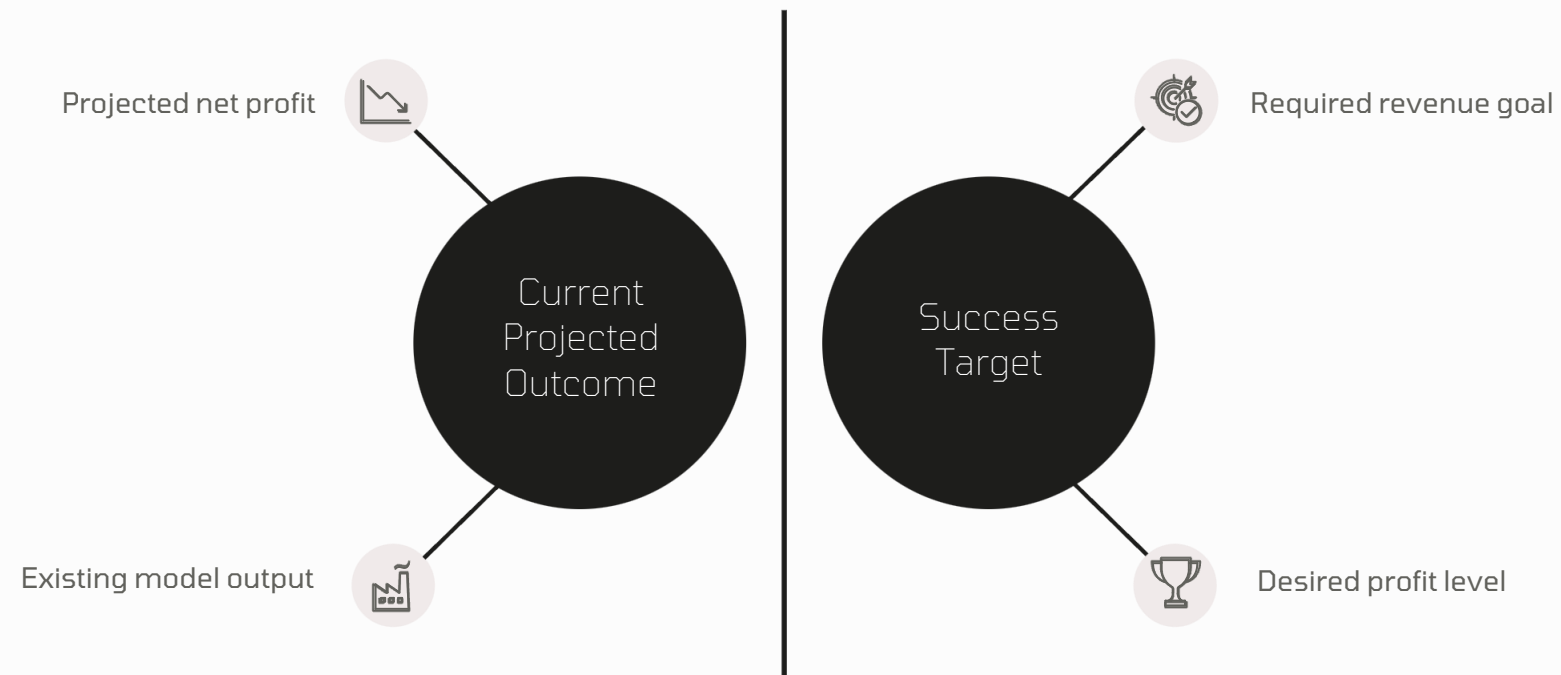
The Gap

The difference between what your current business model will produce (projected net profit) and what you actually need (your success target).



The Question

Does this structure support my success target?



If the answer is no, that's not failure—it's valuable design feedback. The gap between where your model leads and where you need to be reveals exactly what to adjust.

This is the moment of honest assessment, before you've invested months pursuing an unsustainable path.

Adjust the Design: Strategic Levers

When a gap exists, you have six primary levers to pull. Start with model and efficiency changes before resorting to volume increases.

1. Offer Packaging

Bundle services differently, create tiered options, or shift the scope of what one unit includes to increase value and willingness to pay.

2. Pricing Structure

Adjust pricing models—value-based vs. hourly, payment plans, or premium positioning that reflects true transformation.

3. Delivery Efficiency

Streamline processes, leverage group formats, or use technology to serve more clients without increasing hours worked.

4. Cost of Sales Control

Negotiate better rates with contractors, find alternative materials, or eliminate low-ROI delivery expenses.

5. Overhead Management

Cut subscriptions you don't use, renegotiate contracts, or shift from fixed to variable costs where possible.

6. Volume Changes

Only after model stability—increase client load, expand marketing reach, or add team capacity thoughtfully.

The One-Page Planning Worksheet

Use this simple framework to map your complete business logic flow. Each section connects to the next, creating visibility from model choice to net profit target.

- My unit of sale:
What repeatable thing do I sell and deliver?
- My realistic capacity:
How many units can I sustainably handle per month?
- My revenue structure:
How does money flow in? (Core, add-on, recurring)
- My cost of sales drivers:
What costs only happen when I deliver?
- My overhead essentials:
What costs exist regardless of sales?
- My net profit target:
What do I need to support myself + the business?
- My gap and next lever:
Where's the disconnect, and what will I adjust first?

Your Business Model in Six Statements

Distill your entire planning process into this simple framework. If you can complete these sentences confidently, you've built a solid conceptual foundation.

My model choice:

Example: Premium one-on-one coaching with 6-month commitments

My core offer:

Example: Transformational leadership development for emerging executives

My cost of sales drivers:

Example: Assessment tools, platform fees, client materials

My overhead essentials:

Example: Software suite, insurance, marketing, professional development

My profit goal supports:

Example: \$75K personal income + 6-month buffer + quarterly business investments + tax reserve

My next adjustment lever:

Example: Introduce group cohort option to increase delivery efficiency while maintaining transformation quality



Common Surprises When Mapping Costs

Most entrepreneurs discover unexpected insights when they map costs honestly—expenses they thought were delivery costs turn out to be overhead, or vice versa.

Key discoveries often include:

- Realizing the hidden cost of time in terms of lost opportunities.
- Discovering how seemingly small subscriptions can accumulate into significant overhead.
- Observing how inefficiencies in delivery directly inflate the actual cost per client.

☐ Reflecting on these insights or discussing them with a mentor can provide valuable clarity for optimizing your business model.

Quality Check: Self-Review Questions

Before moving to numbers, test whether your plan makes logical sense. A sound business model should be explainable without a calculator.

■ Can I explain my model in one sentence?

If not, it may be too complex to execute consistently or explain to potential clients.

■ Does my capacity align with my lifestyle goals?

If you'd need to work 60-hour weeks to hit your target, the model isn't sustainable yet.

■ Is my pricing structure defensible?

Can you articulate why clients would pay what you're asking based on the value and transformation provided?

■ Are my costs categorized correctly?

COGS only happens with delivery; overhead happens regardless. Mixing these creates planning chaos.

■ Does my net profit target cover all four categories?

Personal income, taxes, emergency buffer, and business investment—all four are non-negotiable.

From Logic to Numbers: Your Next Step

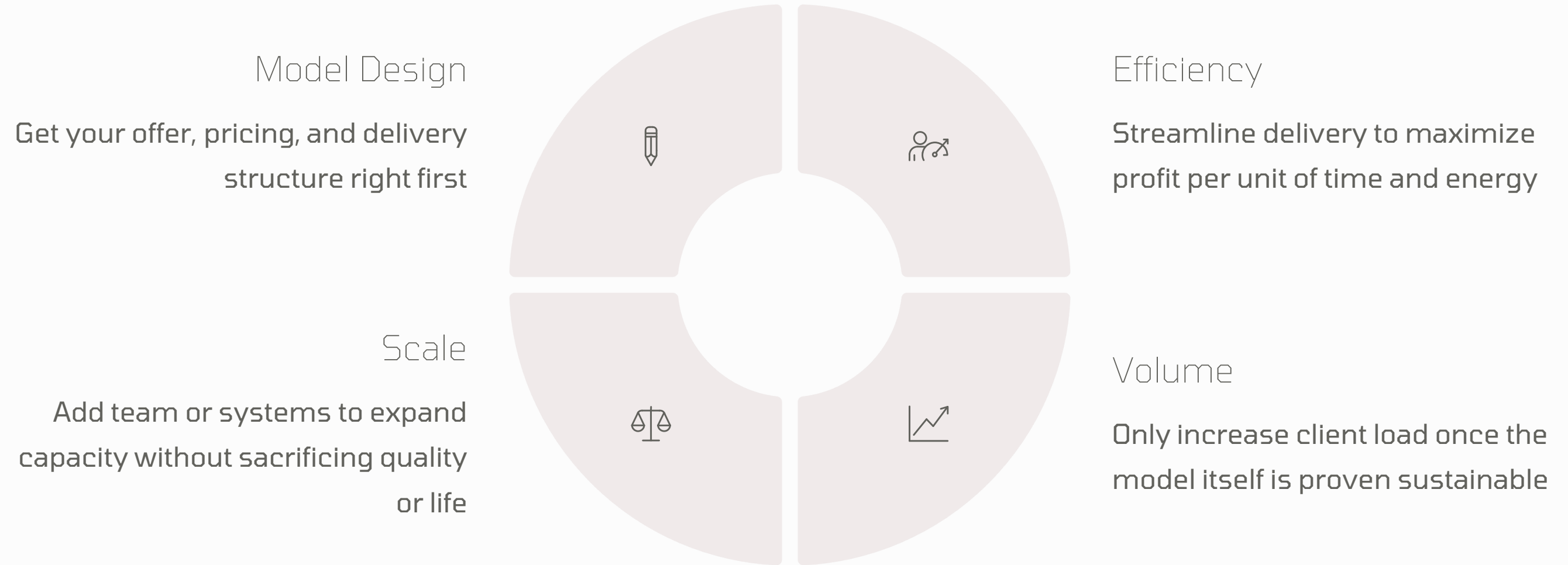
Now that you understand the logical flow, you're ready to add real numbers to each box. But you'll do so with clarity and intention, not guesswork.

Before Moving to Spreadsheets

- Validate your capacity estimate with two weeks of time tracking
- Research pricing for comparable transformations in your market
- List every cost, then categorize as COGS or overhead honestly
- Calculate your true net profit need including all four categories



Remember: Design Before Volume



Most entrepreneurs try to fix volume problems with a broken model. Design comes first, always.

Pitching Your Business Logic in 90 Seconds

Mastering the 90-second pitch for your business planning framework is crucial. It's your compact, compelling narrative designed to quickly engage stakeholders, articulating the logical structure and unique value of your approach to building a sustainable business.

Hook: The Problem

Start by addressing the common pitfalls of traditional business planning that most entrepreneurs face.

Problem & Solution

Explain that many entrepreneurs lack a clear path from model to profit, and how this framework provides that logical structure.

Unique Value

Highlight what makes this planning approach different: emphasizing design before volume, an iterative process, and being lifestyle-aligned.

Call to Action

Clearly state what you want listeners to understand or do next regarding this business planning methodology.