

A BUSINESS PLAN PRIMER



FOR WORDPRESS WEB DESIGNERS

by Cory Miller

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Introduction

I have a confession: I hate traditional business plans.

Too often they become academic (and unrealistic) exercises ... and don't turn into real action. Many people think they should be 100-plus pages, contain every possible situation and scenario, and be a final product. In fact, they aren't. And most businesses can't be dreamed up in a vacuum. The initial idea or concept must be tested, refined, tested, refined some more.

My "business plan" for my freelance business was initially just to keep doing work I enjoyed and making money at it to pay off some bills. At some point though, my profitable hobby got serious and so did I and I needed to formalize what I was doing.

My initial "business plan" for iThemes was simple: make money selling WordPress themes full-time. I didn't have a super polished presentation. In fact, the paperwork to setup iThemes Media LLC as a legal entity was and probably still is the most slick document we have.

But I did keep a simple text document with ideas, plans, strategies, tactics, and a list of items to do and accomplish. It was more of a living document and it changed often as we started the business and found what actually works and what doesn't.

But many of us need something a little more substantial than a "dream" or rough notes to be able to show other people (a significant other, family, friends, partners, and potential hires) that you actually have a solid plan for your business idea ... especially if you're planning on quitting a good job with benefits!

So with this ebook, my goal is to offer you aspiring entrepreneurs (aka WordPress web designers) a simple blueprint and guide to starting a freelance business.

Looking back on my own entrepreneurial adventure, the section topics contained in the following pages were the common themes and questions I referred back to often, and over time had to crystallize and communicate ... and I am still refining it all as we seek to be continually relevant to our customers. (Another reason why a business plan is a living document.)

With this ebook though, I want to help you get a basic plan together to then take the next steps toward fulfilling your dreams.

As much as I can I've sought to provide ideas that I've used or seen work well for freelancers to be profitable and give you the best chance of success.

(I'll be rolling out more in-depth ebooks and training to spur ideas and help you further. Signup here to be the first to know when new resources are announced.)

As with anything, mileage may vary.

This is meant to be a primer for getting started in the right direction. I've tried to be as comprehensive as I can and think through everything you'll need.

But don't get overwhelmed.

Complete as much as you can now, then come back and flesh out other stuff later.

One of the reasons I loathe typical business plans is that your business is an experiment to test.

You are always testing ideas and concepts to see which ones work and help you sustain your business for the long term. (And if your experience is anything like mine, your ideas will flop 10 times more than succeed.)

Plans can and do change. This is your first draft that you'll consistently hone and perfect over time and experience.

I can't count how many times business ideas I've had have failed miserably. Or changed, often drastically. The business model at iThemes is constantly evolving and adapting. It's THE way of doing business.

You might get a first draft done, then not return for a year or more. Or you could continually tweak it from month to month as your business grows and you learn what works and what doesn't.

Sometimes your idea of the perfect client will make you miserable. And so you'll fire those clients. Do so, and move on.

Learn as you go. This "business plan" is truly a work in progress.

Goals & Objectives:

What Do You Want to Accomplish?

1. What do you want and need from the business?

This is about your work, life and financial goals. Most freelancers and entrepreneurs want freedom and flexibility over their work life. Think about what motivates you, inspires you, the work you enjoy doing and what it all means for your life and family.

2. What do you want your work life to be and look like?

Make a sustainable living doing enjoyable work on your terms and with people you enjoy

3. What are your financial needs and desires?

What is the break even number needed to pay your bills? (It's important to factor in quarterly taxes particularly if you're living in the U.S.)

4. What do you need to do to make all this happen?

Use your break even number and information that follows to determine how many clients you need.

Remember: How do you eat an elephant? One bite at a time Break it down into manageable realistic action steps and goals.

Products & Services:

What Do You Want To Do?

1. What are you most passionate about and enjoy doing?

Doing something just because you think it'll make money isn't a long-term plan. You need to actually enjoy doing the work at least for a time before you can hire someone else to do it.

2. What do you want to offer?

List all the types of things you'll offer such as: web design services (WordPress theme design, mobile/responsive sites, ecommerce, blogging design, plugin development, BuddyPress, membership sites, etc.), marketing (email and social media marketing), support and maintenance, retainers, content creation, products (WordPress themes, ebooks, membership programs) or hosting

3. What results and outcomes does it provide clients?

This is more higher-level thinking and positioning, but it's an important step to a sustainable business model. If you know what you're truly offering your clients you can better sell it. Are you helping them get their organizations on the web, taking it to the next level, increasing their brand exposure and customer base, increasing revenue (like helping them sell their products online), or reaching new customers?

4. How is it unique or better than what's out there?

How are you different from your competition?

5. What is the right price to sustain business and get clients?

Will you charge hourly or on projects? For rookies, I've found it helpful to start with hourly and once you start to understand how fast you are and how long projects take then you can slowly start to switch to project-based billing if so desired.

6. Can you deliver it?

Do you have the skills, time and commitment to deliver to clients? If not, scale back, and start learning how now.

7. How do you deliver it?

Do you have the skills, time and commitment to deliver to clients? If not, scale back, and start learning how now.

8. What is your efficient process for delivering it?

Time is money. Figure out how you can deliver fast with quality so you can charge more for your quality services or take on more clients.

9. What ancillary services can you offer to support your income?

Are there services or products around what you do that can help you make more money providing great service to your clients? You may stumble onto these while serving your clients and hearing/sensing their needs. These aren't primary revenue generators for you. They just add to your income without taking a ton of your time or energy.

Clients:

Who Do You Want to Serve?

1. Who do you want to serve?

Think of all the people you know who are potential clients. If you've been doing work part time, who were your favorite people to work with? This gets to the core of finding your "ideal" or "perfect" client.

2. Are they easily identifiable?

The easier it is to identify clients, the easier it is to target them with marketing (which we'll work through in a separate section). Do you already have them in your contact book? Or access to them and know what they look like? List as much as you can here about them.

3. Are they relatively easy to reach?

List where they congregate in person or online, what they read, etc.

4. What are they looking for?

List their biggest needs, wants, hassles, struggles, obstacles for getting their organizations online.

5. What niches, industries or types of people can you identify?

List all of these you've worked in, for or have experience with. It might help to look at your resume for trends.

6. Do you have contacts in the field? Or experience with them?

Mine your social profiles and connections on Facebook, LinkedIn, Twitter, etc., in addition to your resume, email, phone, etc. List them all here and in particular the influencers you know.

Marketing:

How Will You Reach Them?

1. How do you reach your ideal clients?

In the section on “Clients,” we talked about clients that are easily identifiable and readable. Now you’re drilling down specifically with the start of a plan to get the message about your services and its benefits in front of them.

What influencers will you contact first to let them know what you’re doing? What magazines or blogs do they read where you can write guest posts?

2. What educational content can you offer to attract your ideal client?

Could you start a blog, write an ebook or whitepaper, or do guest posts on other blogs or niche websites?

3. How much will it cost you?

It’s not just money. It’s also time, energy and resources, too, each day and week.

4. How many clients do you need to sustain your business?

This is where you’ll need to do some math. Take that break even number and start breaking it into projects and clients and estimate how much work you think you’ll need. Here’s a tip:

You'll probably need more than you think. Expenses come up and clients flake out. Be prepared.

5. How do you generate leads?

Leads are people interested in your work. But they don't always turn into clients. So you need to maximize the amount of leads in your business.

Who are the first set of leads you can contact who are likely to turn into your first clients? How can you continue to generate leads each week? And how will you ultimately turn them into paying clients? What support material will you need to convince them?

Don't worry. Often, you won't know this until you get your first set of leads. Consistently doing good work for others will quickly become your biggest asset. People talk well of those who do good work and deliver on their promises.

Additionally, a good portfolio of work helps sell those leads on your services. Design sells. Thus links on your client sites can help drum up more work for you.

6. How do you present your value proposition to potential clients?

You need be able to clearly present what you do and how you can help your prospective clients in their work (go back to the results and outcomes section under "Products and Services" for help here).

Post what you do and the benefits for clients clearly on your website. Do a slide deck and post on SlideShare (then it'll be ready for an in-person or online client presentation later!).

The best way to hone a presentation is to give it to a real prospective client.

Who can be your first test subject?

7. How do you show off your best work?

You want to be able to share your work with others easily - whether that's through a portfolio section on your website, Dribbble.com, social media, etc. You need an easy-to-update and easy-to-share method of displaying your latest and greatest work.

Finances

How Do You Properly Manage the Money?

1. How do you properly manage finances

Managing your cash flow is vital to your continued success. Without cash, your business is dead. A good experienced accountant is a key partner to help you navigate taxes and provide good financial management.

2. How and when do you get paid?

Ensuring you are getting paid on a timely basis is key (cash flow is oxygen). Do you get a 50% deposit upfront and 50% on delivery, which is typical in web design? Are you paid via PayPal or via check?

3. How do you pay others & taxes?

This is where your accountant can help. In the U.S., welcome to quarterly taxes as a business owner.

4. What are your expenses?

This is for your personal and business finances. What is your monthly minimum burn rate? The minimum amount of cash you need to pay your bills and eat. What can you cut to make your burn rate as low as possible?

5. How much cash cushion do you need to have to go full time?

Before you go full time with your business, you'll want a savings cushion for the "feast or famine" times of freelancing. Typically, you'll want to save several months of your monthly burn rate. Some people do three months, six months or over a year. It's up to you and your family and what you ultimately feel comfortable and confident in.

6. What essential starter investments do I need to make for the business?

Come back to this after you've gone through the Tools and Marketing sections. This is often minimal to start ... do you need a new computer, any software, other tools like hosting or WordPress products?

Legal:

How Do You Structure Business and Keep It Legal?

1. How will you structure your business to get started?

Limited Liability Corporations are often the most popular, easiest way for freelancers to structure their businesses in the U.S. But this is why a business attorney is a key initial partner for you. A capable, experienced attorney will help you navigate the legal structure.

2. What contracts or agreements will I need?

Many freelancers have client contracts that they insist on signing before work begins. Generally speaking, I've found the bigger the money and client involved, the more necessary agreements become. However, that is why you should talk with an attorney.

3. How do you get ongoing legal help when you need it?

Again, it's good to have access as needed to a business attorney to bounce things off or to assist and advise with the creation of agreements. I remember getting a 15-page legal contract one time and was frightened by the language (and for good reason). One of my partners is also an attorney and his help has been invaluable to bounce things off and get more counsel as needed.

People & Partners:

Whose Help Do You Need?

1. What “big picture” help do you need?

Throughout the Business Plan Template you will identify areas you’ll need help with. My top three partners for any business endeavor are: Your significant other, accountant and lawyer.

2. What kind of day-to-day help do you need?

Depending on what work you’re doing, you might need to bring in other people to help, whether they’re partners you’re working with or subcontractors you hire, mentors and advisors or even employees.

Tools:

What Resources Do You Need to Do It All?

Like People and Partners, you'll identify tools you need to invest in for your business, however small they are. What investments do you need to make in terms of software, training and the like to keep up to date in your business but also on the cutting edge?

Here are some example areas to consider:

- **Accounting Software** - You need a way to track your business finances like income, invoices, taxes, payroll (if you have them). The de facto is QuickBooks. For invoicing, Freshbooks. For online payments, Paypal (and now Stripe).
- **Client / Project Management** - How are you going to communicate with clients and keep up with tasks, milestones for your projects? For email, Gmail for Domains. For project management, Basecamp or Trello.
- **Computer / Software** - I love my Macbook Air, Google Chrome, Google Talk, Paypal and iPhone to keep everything going efficiently and effectively. What about you?
- **Continuing Education / Training** - What kind of continuing education do you need to stay connected with your field and on top of your game? You might need to attend conferences or check out training courses. (Check out our WP training hub at WebDesign.com.)

Conclusion:

What are your next action steps?

Now that you've come this far and completed as much as you can, here are some questions for refinement and next steps.

The most important thing about a plan is executing it. Take that first step, then the next step and the one after. Test and refine your business concepts to see what is sustainable long term.

So with that in mind:

1. What areas do you need help with or need to refine?

Many technicians (who I mostly count as web designers) often have the most problems with marketing or client development.

2. What are you stuck on and how can you get past it?

For the past year or so, I've actively engaged two people to help me work on our business -- a CFO for hire and a business/leadership coach. Both have been invaluable and helped me get past some obstacles by offering experience and outside, mostly unbiased opinions.

3. What's the one thing you can do now to make the biggest impact and progress?

We can easily drown in details, especially in an exercise like this. So step back now and think, what is going to make the biggest impact? What next steps can you take that will give you the biggest bang for your buck? Progress will build momentum.

Now go!

Resources

The Entrepreneurial Adventure: Is It For You?

Entrepreneurship is a journey, a climb, an adventure. Like climbing one of the world's highest and most severe summits, entrepreneurial climbers must examine themselves to ensure proper sync of passion and purpose as well count the cost of entrepreneurship.

So You Want to Be a Freelancer?

Freelancing: it's an exciting and challenging world of working in your pajamas and being your own boss. But if you want to be a freelancer, you have to weigh the costs. This eBook presents a few of the "ins and outs" of being a freelance web designer while offering practical tips for creating and growing your own web design business. Learn a few pointers on getting organized, tracking expenses, dealing with clients and staying motivated to do the work.

Why WordPress?

Get the top reasons why WordPress is a great content management system for your web design clients. And use them in your sales presentations.

[The WordPress Web Designer's Toolkit by iThemes](#)

This is THE toolkit for web designers with 150+ WordPress themes for virtually every project, to 20+ plugins, including BackupBuddy, and the entire WebDesign.com training library plus more bonuses. With the Toolkit, iThemes is your go-to resource and partner in your web design business.

[WebDesign.com](#)

Web design is a technical trade. Having the right knowledge and skills to build projects is essential for starting your business. Each month, we stream 15-20 new hours of live courses for you to learn how to build great projects for your clients. Plus the ever-growing video training library is accessible 24/7 for you to watch and learn!