

# **Business Plan**

**Business Name**

**Date**

Contact:

Name  
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## **EXECUTIVE SUMMARY**

The Executive Summary can be the most important section of your business plan because people will read it first and it may be the only section they read. Although it will be printed out first, the Executive Summary should be done last after you have completed the other sections. The keys to a good Executive Summary are that:

- it should be short (2 pages at most);
- it should highlight what is important in your plan; and
- it should get the reader excited about your business.

### **Business Description**

Briefly describe your business and highlight the key features of your products and services.

### **Ownership and Management**

Briefly describe the organizational structure, ownership, and key management team of your business.

### **Key Initiatives and Objectives**

Highlight the key initiatives and objectives that are outlined in your business plan.

### **Marketing Opportunities**

Provide an overview of the marketing opportunities for your business.

### **Competitive Advantages**

Summarize the main competitive advantages of your business.

### **Marketing Strategy**

Briefly describe the key components of your marketing strategy.

### **Summary of Financial Projections**

Summarize the highlights of your financial plan such as your projected revenues and net income.

## **CONFIDENTIALITY AND RECOGNITION OF RISKS**

You may want to include a confidentiality clause asking readers not to discuss your business plan with others and a recognition of risk clause warning readers as to the uncertain nature of financial projections.

### **Confidentiality Clause**

What, if any, clause do you want to include in your business plan to request that readers maintain confidentiality? If you do not wish to include such a clause, leave this question blank.

### **Recognition of Risk**

What, if any, clause do you want to include in your business plan to notify readers as to the uncertain nature of financial projections. If you do not wish to include such a clause, leave this question blank.

## **BUSINESS OVERVIEW**

### **Business History**

Readers will first want to know about the history of your business. If you have an existing business, briefly describe when and by whom the business was started and any major changes that have occurred in the business. If this is a new business, highlight some of the reasons why you would like to start this specific business.

### **Vision and Mission Statement**

It is important to have a long-term vision of what you want your business to become. Some businesses use their vision and mission statement to highlight their business strategies and philosophies or to show the importance that their business places on developing good relationships with customers and employees.

### **Objectives**

It is also important to have objectives so that you can measure how well your business is doing in the short-term. You can set objectives for desired market position (for example, we want to be the largest repair shop in town), sales (we want sales to increase by 25% over the next twelve months), profitability (we want to improve profitability by 5% in 1997), or any other issue which is important to your business. Your objectives should be simple factual statements that are measurable.

### **Ownership**

Is your business a sole proprietorship, partnership, or corporation? What is the legal name of your business and who are the principal owners?

### **Location and Facilities**

Discuss where your business is located and what facilities you have. You may wish to include the company address and a description of your site, the size of your facility, your equipment, and your lease arrangements. In addition, explain how the location of your business adds to the success of the business.

## **PRODUCTS AND SERVICES**

### **Description and Key Features of Products and Services**

Briefly describe the products and/or services that your business will be selling. Why will customers buy your products and/or services instead of another company's? Explain what makes your products and/or services unique in the marketplace and how they will differ from those of your competitors.

### **Future Products and Services**

Do you have any plans to update existing products or to offer new products and/or services in the next three to five years? If yes, provide a brief description of what you plan to do.

## **INDUSTRY OVERVIEW**

### **Market Research**

When writing a business plan, it is important to have a good understanding of the industry in which you will operate. Discuss what research you did to write your business plan. For example, have you surveyed current and potential customers, reviewed research reports and statistics prepared by others, read magazine and newspaper articles, or spoken to people particularly knowledgeable about the industry?

### **Size of the Industry**

How big is the industry your business will operate in? Size can be defined in many ways including sales, the number of units sold, number of producers, and/or total employment. Be sure to highlight any statistics you have on how fast the industry is growing and discuss the size of the industry in the particular area that will be served by your business.

### **Purchase Process and Buying Criteria**

It is important to know how and why customers purchase products like yours. For example, how important are price, quality, warranties and/or service support important in customer buying decisions? Briefly discuss how the purchase process and buying criteria may vary by each of the market segments or product segments.

### **Key Industry Trends**

The only thing that is constant in business is change. What are the key trends in your industry? These trends could include changes in technology, products, markets, regulations, or economic conditions. What trends will affect the supply of, or demand for, your products/services? Highlight the factors and trends that could have the largest impact on your business.

### **Industry Outlook**

For your industry, discuss what types of products have the greatest opportunities for growth over the next three to five years and why? What products or product groups are expected to see a decline in sales?

# **MARKETING STRATEGY**

## **Target Markets**

In the last section you described the key market segments within your industry. Which of these customer groups or market segments will your business specifically target? You can define your target markets both by type of customer and by geographic region. Explain how your target markets may change during the term of the business plan.

## **Description of Key Competitors**

There will be other businesses or competitors who are also competing for these target markets. List your key competitors and provide a brief description of their businesses in terms of location, products and services, marketing strategies, and market position.

## **Analysis of Competitive Position**

Now we want to compare your business to your competitors. In what ways you will have an advantage over your competitors and in what ways will you be at a competitive disadvantage? In which markets will you have the greatest competitive advantage?

## **Pricing Strategy**

Briefly discuss how you will price your products and services. How will the pricing of your products and services compare to that of your competitors? For example, will you follow a penetration pricing policy (where you offer low prices in order to generate higher sales volumes)?

## **Promotion Strategy**

Having a good product and/or service is no guarantee of success. You have to make potential customers aware of your products and tell them how and where they can buy them. Describe how you will create awareness of your products and services. Highlight the types of promotional activities you will undertake such as media advertising, trade shows, direct mail, sales calls and any other means of promotion that you will use to reach your target markets.

## **Distribution Strategy**

How will you distribute your products and/or services to your target markets? Discuss where your customers will be able to buy your product and/or service, and how you will provide customer service and after sales support.

## **MANAGEMENT AND STAFFING**

### **Organizational Structure**

Describe the management and staffing structure of your business. Discuss how many employees you currently have and how many you expect to have over the next three years. What are the key positions within your business and what are the reporting relationships between those positions?

### **Management Team**

Who are the key people on your management team? List and give a brief description of each member of your management team including their position, key functions, and relevant experience. Attach resumes for each member of the management team to the end of the business plan. Discuss the strengths and weaknesses of the management team (including any positions which are not currently filled) and how these weaknesses will be dealt with.

### **Staffing**

Discuss how you will fill the key non-management jobs within your business. Highlight the qualifications and level of experience you will require, the wage rates and benefits you will pay, and what training you will provide.

### **Labour Market Issues**

Discuss any factors that could affect your ability to find, hire and keep employees.

## **REGULATORY ISSUES**

### **Intellectual Property Protection**

Will your products, services or processes be protected by patents, copyrights, and trademarks? If so, please describe what is covered. If no, leave this section blank.

### **Regulatory Issues**

What other regulatory issues could directly affect your operations? For example, are you in a regulated industry? Will your business require licenses and permits? What steps are you taking to address these issues?

## **RISKS**

### **Market Risks**

Are there any events that could affect your customers' need or demand for your products and/or services during the term of the business plan? If yes, discuss how likely it is that these events will occur and what steps you will take to limit the impact should these events occur.

### **Other Risks**

Discuss any other risks that could affect the success of your business and how you will overcome them.

## **IMPLEMENTATION PLAN**

### **Implementation Activities and Dates**

When will the key activities and initiatives in your business plan be implemented and who will be responsible for their implementation?

## **FINANCIAL PLAN**

In this section, you will prepare your financial plan. For many readers, the financial plan is the most important section because it identifies your financing needs and shows the profit potential of your business. In addition, a good financial plan will give the reader confidence that you really understand your business. A financial plan includes four financial statements:

1. an **Income Statement**, which compares your revenues and expenses to see if you are going to make any money;
2. **Monthly Cash Flow Statements** for the First Three Fiscal Years, which compares how much cash will be coming in versus how much you will be spending;
3. a **Balance Sheet**, which compares what you own to what you owe.

In addition, a financial plan also includes Notes to the Financial Statements (which list some of your assumptions), a written description highlighting key parts of your financial plan, and a ratio analysis.

### **Discussion of Projected Net Income**

Use this section to discuss your net income projections. Briefly discuss the key assumptions underlying your revenue, cost of sales, and expense projections. Highlight your net income projections.

### **Discussion of Monthly Cash Flow Statement**

Use this page to discuss your monthly cash flow projections for each fiscal year. Highlight any operating loans needed to maintain a positive cash flow as well as the repayment of those loans.

### **Discussion of Pro-Forma Balance Sheet**

Use this page to discuss your pro-forma balance sheets for each fiscal year. Highlight any key changes in your assets and/or liabilities.