



# Business Plan

Business Name

Owners Name

Address

Website

Insert Business Name in the Header

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## **EXECUTIVE SUMMARY**

The executive summary is an overview of the key points contained in your business plan and is often considered the most important section.

It is usually the first section that a potential investor or lender will read, and may be the only section to be read if it is not prepared properly. This important summary should:

- Include highlights from each of the other sections to explain the basics of your business
- Include how much money you are applying for, precisely how the funding will be used, and how the money will make your business more profitable.
- Be sufficiently interesting to motivate the reader to continue reading the rest of your business plan
- Be short and concise — no more than two pages long

You will want to describe your business concept, competitive advantage, legal structure (e.g. sole proprietorship, corporation), the market, and your own experience.

Although the executive summary is the first section of the plan, you should write it last.

Insert Business Name in the Header

## **BUSINESS DESCRIPTION**

Include here a description of your company, including an overview of products and services followed by the mission and vision statements, and the short and long-term objectives.

If start-up business, it should outline your start-up plans and your business structure (sole proprietorship, partnership or corporation and name of owners and shareholders).

If an existing business, give a short report on when it was started and the stage of growth.

Describe what your business is about, its products and/or services and your plans for the business. Include:

- Who you are
- What you do
- What you have to offer
- What market you want to target
- Objectives for the next 1 – 2 years

## **PRODUCTS AND SERVICES**

Provide a description of each product/service, who the product/service will be marketed and sold to, and the price(s) of the products and/or services. Address the question: “what makes your product unique?” and/or “why will customers buy my product/service?”

Describe the most important features, what is special about it? And describe the benefits. What will the product do for the customer?

Note the difference between features and benefits, and think about them. For example, a house that gives shelter and lasts a long time is made with certain materials and to a certain design; those are its features. Its benefits include pride of ownership, financial security, providing for the family, and inclusion in a neighborhood. You build features into your product so that you can sell benefits.

Conducting a SWOT analysis is an important part of business planning. A properly prepared SWOT analysis shows investors that you have realistically and objectively considered these elements.

Banks and other lenders understand that businesses will encounter difficulties at some point, and want to know how you will deal with these challenges. Remember that overestimating strengths and opportunities or ignoring potential problems will undermine your credibility.

Putting time and effort into conducting a comprehensive SWOT analysis can help you:

- Make sound decisions and future plans
- Anticipate problems and make the necessary changes
- Set aside resources to take advantage of potential opportunities

## MARKETING PLAN

Include in this section a description of the industry, your customers, your competition and the marketing strategy.

### **Industry:**

Include facts about your industry:

- What is the total size of your market?
- Current demand in your target market
- Trends in the market – growth trends, trends in customer preferences, and trends in product/service development

### **Customers:**

Identify your targeted customers, their characteristics, their geographic location, and other known demographics. The description will be different depending on whether you plan to sell to other businesses or directly to consumers. If you sell a consumer product, but sell it through a channel of distributors, wholesalers, and retailers, you must carefully analyze both the end consumer and the middleman businesses to which you sell. You may have more than one customer group. Identify the most important ones for your business.

### **Competition:**

List your major competitors. Will they compete with you across the board, or just for certain products, certain customers, or in certain locations? How will your products or services compare with the competition?

Use the Competitive Analysis table below to compare your company with your key competitors.

Competitor / Location	Description	Strengths	Weaknesses	Price	How they Promote

Now, write a short summary paragraph stating your competitive advantages and disadvantages.

**Marketing Strategy:**

Outline a marketing strategy that is consistent with your niche.

**Promotion**

- How will you get the word out to your customers?
- Considerations for online platforms, website, social media...
- What are the costs? Map them out in your forecasting financials
- List your intended activities – networking, tradeshow, seminars and workshops that you will present at? Be specific

**Position**

- What image do you want to project? How do you want your customers to see your business?
- How do you want to be perceived relative to your competitors in the market?
- What is the messaging that you want to come across about your product/service and business?

**Pricing**

- What are you going to change? Why? Explain your method(s) of setting prices
- Does your pricing reflect how you are placing your business into the market? For example, if you are after the market that will pay for luxury goods, is it priced for that market
- Will you be offering discounts or promotions? If so, include these in your sales projections

**Distribution**

- How will you sell your products or services?
  - Retail
  - Direct
  - Wholesale
  - Agents
  - Your own sales force
  - Bid on contracts, etc.

## **OPERATIONAL PLAN**

Your business plan should outline your current operational requirements as well as your projected requirements for the next 3 to 5 years. Your inventory management and accounting systems should have the ability to produce up-to-date reports.

You can include:

- Day-to-day operations — provide a general description of the location and the day-to-day operations of the business, such as hours of operation, seasonality of business, suppliers and their credit terms, and so on.
- Management and Organization – outline who will manage the business on a day-to-day basis. What experience and qualifications does that person bring to the business? Include other key roles and any mentors or advisors.
- Facility requirements — identify your requirements in terms of size and location. Include any related documents in the appendix of your business plan, such as lease agreements or supplier quotations. Detail any special requirements associated with the facility and include any licensing documentation in your appendix.
- Personnel – include how many employees (if any) that are currently employed and how many you plan to hire to support business growth. Outline if these employees will be full-time, part-time or seasonal.
- Management information systems — indicate how you plan to control stock, manage accounts, control quality and track your customers.
- Information technology (IT) requirements — identify the IT systems you will be using for your business. As this is a key factor for most businesses, indicate if you are using a consultant or IT support service and outline any planned IT developments.



## FINANCIAL FORECASTS

This section of your business plan essentially turns your plans into numbers. As part of any business plan, you will need to provide financial projections for your business. Your forecasts should run for the next 2 years. However, the first 12 months' forecasts should have the most detail, including assumptions both in terms of costs and revenues, so investors can clearly see the thinking behind your numbers.

Use the Excel template to complete your financial forecasts. Include key assumptions to support your numbers.

As you put your plans down on paper, remember the importance of thinking objectively. Analyzing your venture from three points of view — optimistic, pessimistic, and realistic — can give you a solid idea of what to expect as you move forward.

Explain your research and how you arrived at your forecasts of expenses. Give sources, amounts, and terms of proposed loans. Also explain in detail how much will be contributed by each investor and what percent ownership each will have.

Your financial forecasts should include:

- Sales forecast — this is the amount of money you expect from sales of your product and/or service.
- Cash flow statements — this is a cash balance and monthly cash flow pattern for the first 24 months. Include working capital, salaries and sales.

Include how much funding you will need. Consider:

- How much capital do you need and why?
- What security can you offer to lenders?
- How do you plan to repay any borrowings?
- What are your sources of revenue and income?

Your forecasts should cover a range of scenarios, and you should include the contingency plans you've developed to offset any risks. You can also review benchmarks and averages for your type of business and discuss your business' position.

Provide a summary in this section of your expected sales and net profit for the first one to two years.

## **APPENDICES**

Include additional details that support your business plan and/or application for funding, for example:

- Resume
- Quotes
- Articles and/or testimonials
- Copies of leases and contracts
- List of assets/equipment that will need to be purchased
- Marketing material
- Etc.