

Cover Page

(You'll develop this page toward the completion of your plan.)

The cover page should include the following information: Name of the company (full business name); company address; company phone number(s) including phone, fax, email, website; logo or other graphic depicting the business; names titles and addresses of owners; month and year the plan was completed.

Table of Contents

(You'll develop this section toward the completion of your plan.)

A standardized format for your table of contents is appropriate. At minimum, it should show the major section headings and the page number that starts the section. It's even better if you can show the detailed subheadings under the major sections with corresponding page numbers.

Section I. Executive Summary

(You'll develop this toward the completion of your plan.)

Write a one to two page summary representing the various sections of your Business Plan. Your goal is to make the reader want to read more!

Section II. Mission, Goals & Objectives

General Description of the Business

Describe your business so an outsider will clearly understand what business you are in, what products or services you offer, who your market is, how you operate (generally), the stage of development of your business, and what your growth ideas include. This is the first opportunity for your reader to understand the nature of your business, so offer enough detail to make your description clear to the first time reader.

Mission Statement

Write your mission statement, making sure it is clear and understandable.

Goals & Objectives

Summarize your short-term (within one year) and long-term (two to five years) business goals and objectives (steps relating to your goals). Be sure your objectives are specific and indicate who is responsible for getting them done and by what deadline.

Section III. Background Information

The Industry

Background Industry Information

Describe the background of your industry. Include what industry you are discussing, the current size in terms of dollar sales and/or number of businesses or customers, whether large or small firms dominate the industry, and how the industry has developed or grown.

Current and Future Trends

Discuss how products or services are currently bought, sold, delivered, packaged in your industry, what the current sales costs and profit margins are and if they are expected to change in the future. Discuss how the industry as a whole is changing, whether the industry is growing or declining, and the potential impact of changing technology and government regulations.

Business “Fit” in the Industry

Provide a brief history of your business’ development, then describe how you see your business fitting into the industry. Is it one of the smallest or largest? Will your business be like most others in the industry or will it be different?

Section IV. Organizational Matters

A. Business Structure, Management & Personnel

Business Structure

Describe the legal structure you chose for your business and why. Then describe who owns the business and their financial share of ownership.

Management

Summarize your management philosophy and describe your management team. Include details about your key managers and why they were chosen, with a reference “(see resume in Appendix ____)” for each manager you determine to be an essential part of the credibility of your team. This section should tell your reader why you and your team are uniquely qualified to manage this business. Include an organizational chart for your business to help clarify roles and responsibilities of your management team.

Personnel

Summarize your non-management personnel needs. Discuss where and how you recruit new employees, what screening processes you use in hiring, and if you have trouble finding qualified recruits for your business. Also discuss your training

procedures for new personnel, and your re-training efforts for existing personnel.

Outside Services/Advisors

Describe how your management “team” is augmented and enhanced by the use of qualified outside service providers, and discuss the outside services for which you contract. Then discuss whether or not you use an Advisory Board, whether you will use an Advisory Board in the future, and what impact that part of the “team” has (or potentially has) on your business.

Risk Management

Summarize how you will manage risk in your business, including the types of insurance you need, insurance costs, any intellectual property protection your business requires. Also address other inside and outside risks your business faces, and what management policies and procedures are in place help manage those risks. Include your estate planning and succession strategies as ways of managing long-term risk to the business.

B. Operating Controls

Record-Keeping Functions

Describe how you keep control of the major financial functions of your business. Indicate who is responsible for the key activities, and how you as the owner/manager follow-up periodically.

Other Operations Controls

Describe the key activities that require internal operating controls. Indicate what controls are in place, and who is responsible for ongoing development of controls in each area. Include whether or not you monitor the activities and the control functions. Then tell why the controls that are in place enhance the overall effectiveness of managing your business.

Section V. The Marketing Plan

A. The Products/Services

Products/Services Description

Write this section assuming the reader knows nothing about your business or your products/services. Describe the types of products/services you sell (you can group similar products/services in “lines”), including how your products or services compare to the competition (price, quality, availability, your skills, service, etc.). Include everything your first-time reader needs to know to understand what your business offers. Also include any proprietary aspects of the products/services.

Features/Benefits

Summarize the features and benefits of your products/services. Include what your products/services do, why people should buy them, what features make them unique and special. Then describe the benefits to the customer.

Life Cycles/Seasonality

Describe where your products/services are in their life span (by product/service groups), and how that influences your business decisions. Discuss the seasonality of your products/services and what role seasonality plays in your business planning.

Products/Services Growth Description

Summarize the new products/services you intend to add to your business. Include why you are adding them, when you anticipate adding them, and how they “fit” into your current product/service mix. Also discuss life cycles and seasonality including how, or if, those elements played a role in your decision to add those new products/services.

B. The Market Analysis

Customer Analysis

Based on your customer research and completion of the Customer Profile Worksheet, summarize a description of the key characteristics of the customer you are targeting. Be as specific as possible, and include all relevant factors such as demographic characteristics, psychographic information (motivation for buying, values, interests, preferences) and lifestyle descriptions (where, how and when they choose to buy). If more than one customer group is targeted, include an explanation of the multiple groups and why they were chosen.

Competitive Analysis

Write a paragraph identifying and briefly describing your major competitors. Include where they are located and whether their location is a strength or weakness. Then summarize your competitors’ key strengths and weaknesses, including how they are currently performing to meet the needs of the customer. Clearly identify your competitive advantage by discussing the aspects of your business or products/services that are unique and superior to the competition.

Market Potential

Current Trade Area

Describe your actual geographic trade territory, including the boundaries and why you chose this trade area (why your customers will come to do business with you in this trade area). Include a map with your trade territory boundaries designated.

Market Size and Trends

Describe the size of your market in terms of number of potential customers. Summarize the trends for this market, including whether the market is growing, stable, declining, and why.

Market Potential

Describe the market potential in terms of your total potential sales (Annual Sales Volume Projection). Discuss your current sales volume (existing business) and your projected ability to grow based on your market potential, including your plans for adding products/services. Include the calculations used in the Annual Sales Volume Projection Worksheet and any assumptions you used in making the calculations so the reader will understand the basis for your discussion of market potential.

C. Marketing Strategies

Location/Distribution

Write a paragraph explaining your business location and why it was selected. Include the features of the location and the building, including how it is positioned relative to your distribution needs. If there are nearby businesses, describe how they attract or detract from your location. Discuss future needs of your location, and include any visual aids to help the reader understand where you do business.

If you are a home-based business, you should also discuss the appropriateness of your location, the pros and cons of locating at home, any special arrangements you have made to use the location to your advantage, and your reasons for being home-based.

Price/Quality Relationship

Describe the relationship between price and quality in your products/services. Describe whether or not you are effectively positioned in the market based on the price/quality relationship and that of your competitors. Is your position consistent with your desired image? Explain why or why not.

Promotional Strategies

Packaging

Explain how your products/services and how your business is “packaged.” Describe how this packaging will reinforce your image and your other marketing strategies. (Remember, pictures really help the reader, so include a picture of your packaged products—or of packaging elements of your services such as your service truck, business cards, etc., in the Appendix section.)

Public Relations

Explain how you intend to use public relations and networking activities to positively influence public opinion about you and your business. Explain how this element fits with the rest of your marketing strategies.

Advertising

Describe the primary advertising tools you will use and why the specific tools were chosen. Address how you approach budgeting for advertising, and how you intend to measure the effectiveness of the advertising tools you chose. Detail any specific advertising events you have planned for the coming year. If you have yet to plan specific events, explain when you will put your promotional calendar together; and mark your Action Log.

Customer Service

Describe your customer service strategies and how you will implement them. Include customer retention strategies and use of technology in the discussion. Describe how your customer service strategy “fits” with the other promotional strategies and goals.

Section VI. The Financial Plan

A. Financial Worksheets

The worksheets you could include are:

Salaries/Wages & Benefits

Outside Services

Insurance

Advertising Budget

Occupancy Expense

Fixed Assets

Growth (or Start-up) Expenses

Existing Debt

Miscellaneous Expenses

Sales Forecast

Cost of Projected Product Units Sold

B. Cash Flow Projections

Break Even Analysis

Write a paragraph discussing your break-even analysis. Address why you think the break-even point is realistic. You will want to include a copy of your Break-Even Analysis Worksheet so the reader can understand your discussion.

Monthly Cash Flow Projections—Year One

Annual Cash Flow Projections—Years Two and Three

C. Financial Statements

Projected Income Statement, Current and Projected Balance Sheets and Statement of Owner's Equity should be included in this section. Also, write a brief statement drawing some conclusions about what these statements are telling you as the financial manager of your business.

D. Additional Financial Information

Summary of Financial Needs

Write a paragraph about your capitalization needs. In other words, explain how much money you will need to borrow or to invest yourself to cover your growth (or start-up) expenses, fixed asset purchases and to operate the business. Explain how much of the total funds required will come from owner or outside investment (equity financing) and how much from borrowed funds (debt financing). Then explain where you will get the money. If using borrowed funds, indicate how long you will need the money, and how it will be paid back. Summarizing the financial needs in this manner brings into focus all of the financial information you have presented to this point.

Personal Financial Statement

Appendix Section

List the contents of the Appendix Section under this heading in the order in which the documents are organized, then include the documents in that order.