

Summary

Components of a Business Plan

Before getting into the details and workings of the business plan for your venture, it is important for you to understand its importance by looking at the big picture, and understanding its invaluable contribution to your journey as an entrepreneur. Basis your unique situation, decide who would be the possible audience of your plan and to what level of depth you should go. Research the market and make assumptions basis reliable data to make your projections and plans more realistic.

Elements of a Business Plan

While all businesses are unique in nature and have their own specific set of challenges and opportunities, there are a few functions and headings that one must think through regardless of the uniqueness of the proposition or the stage of the business. Here is a list of elements that must be included in the Business Plan, besides of course any specific headings which uniquely apply to your venture:

- **Vision & Goal** – Your aspirations; short-term and long-term goals
- **Company Description** - Original business idea, competitive advantage, brief company history, milestones and timelines
- **Industry Analysis** – Industry attractiveness, growth prospects and the possible threats to the industry
- **Competitor Analysis** – Competitor's strength and weakness, strategies, barriers to entry, identification of avoidable weaknesses
- **Management Team** – strengths of the entrepreneur, team skill-sets, organizational chart, expected skill requirements
- **Operation Plan** – Task delegation structure, capital requirement
- **Marketing Plan** – Packaging techniques, modes of communication, pricing method
- **Financial Plan** – Projected balance sheet, profit & loss statement, break even analysis, business structure, unit metrics, sales forecast
- **Risk & Contingencies** – What-if analysis, provisions
- **Appendices** – Documents, supplementary proofs, other marketing materials, media appearances, letters of support

Format of a Business Plan

There are multiple ways of documenting your business plan, it can either be a word file; excel sheet; presentation or just scribbles on a sheet of paper, but it may not be suitable for everyone to read and evaluate the same in that format. In the current times, a simple and effective PowerPoint Presentation is most accepted and easy to make, and thus is recommended. There are certain do's and don'ts for preparing a professional business plan, these are:

- Keep the language simple, concise and clear
- Avoid acronyms and jargon; everyone might not be familiar with them
- Use tables, charts and graphics to put across the point easily
- Maintain consistent font styling and size (more than 12 size font) & line spacing; the slides should be legible from the back of a medium sized room
- Make it an easy read by creating various segments and use separate slides for separate segments
- Use bullet points instead of paragraphs, and write phrases, not sentences
- Do a complete spell, grammar and punctuation check in the end

You should be able to:

- Understand the importance and myths of need for writing a business plan
- Enumerate the elements of a business plan for your venture
- Prepare your business plan as per a professional format