



Excerpted from
FastTrac® GrowthVenture™



TAKE CHARGE OF YOUR BUSINESS®

A program of the Kauffman Foundation

Business Plan Checklist

Whether you are creating a formal Business Plan or an internal working plan, your plan should be complete and free from errors. Follow the instructions below to create a complete and accurate Business Plan.

- A. Review your Executive Summary.** The Executive Summary could very well be the most important section of the entire Business Plan because most readers will find the answers to their questions in this summary. Still, this summary of your plan should not be more than two to three pages long.

As you review the Executive Summary, keep in mind your intended reader and the purpose of presenting the plan. Every time you present your plan to a new audience, you will want to consider writing a new Executive Summary. That way you can highlight the information the new audience is most interested in. Individual attention to readers' needs is more likely to gain their attention to your request.

Place a check beside the common mistakes below that you need to review in your own Executive Summary:

- ☐ Too much superficial data that fails to inspire the reviewer to read further
- ☐ Failure to identify unique features and benefits of the proposed product/service
- ☐ Too much technical information
- ☐ Written in first person—uses "I" instead of using your name
- ☐ Long sentences and phrases
- ☐ Too much trivial information
- ☐ Failure to specify what you hope to accomplish with the business
- ☐ Failure to identify how much money the company needs, its uses, sources, and repayment

- B. Review your plan against the Business Plan Checklist.** After your Business Plan is assembled, review it for completeness and accuracy. For each section, this Business Plan Checklist identifies what information should be included in your plan and tips on how it should appear. The Business Plan Checklist helps you evaluate if your plan includes key content and is well written.

Business Plan Checklist

Use the following checklist to find changes that need to be made to make your plan more readable, concise, complete, fact-based, and error free.

Overall Readability

Yes No

- | | | |
|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | Language is concise (does not read like a novel or term paper). |
| <input type="checkbox"/> | <input type="checkbox"/> | Each section stands on its own and clearly defines and satisfies its objective. |
| <input type="checkbox"/> | <input type="checkbox"/> | Facts are supported with sufficient documentation. |
| <input type="checkbox"/> | <input type="checkbox"/> | Conclusions drawn from facts are reasonable. |
| <input type="checkbox"/> | <input type="checkbox"/> | Contents are supported with sufficient charts and graphs. |

Overall Spelling/Grammar/Math

Yes No

- | | | |
|--------------------------|--------------------------|----------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | Spelling is correct. |
| <input type="checkbox"/> | <input type="checkbox"/> | Grammar is clean. |
| <input type="checkbox"/> | <input type="checkbox"/> | Math is error-free. |

Overall Formatting**Yes No**

- ☐ ☐ Font choice is readable.
- ☐ ☐ Spacing between lines is sufficient.
- ☐ ☐ Plan contains headings and subheadings.
- ☐ ☐ Formatting on headings and subheadings is consistent.
- ☐ ☐ Plan includes page numbers.
- ☐ ☐ Formatting on page numbers is consistent.
- ☐ ☐ Plan contains enough white space for readability.

Cover Page / Table of Contents—for formal Business Plan**Yes No**

- ☐ ☐ Cover Page contains name of business.
- ☐ ☐ Cover Page contains chief executive's name.
- ☐ ☐ Cover Page contains address, telephone, fax numbers, e-mail, and Web address.
- ☐ ☐ Cover Page contains company logo.
- ☐ ☐ Page numbers in Table of Contents correspond correctly.
- ☐ ☐ Appendix includes a Table of Contents.

Executive Summary**Yes No**

- ☐ ☐ Does not exceed three pages and wholly describes the new venture.
- ☐ ☐ Describes the unique features and benefits of the product/service.
- ☐ ☐ Identifies the management team and supporting infrastructure.
- ☐ ☐ Explains the opportunities found within the industry.
- ☐ ☐ Contains plans for targeting a market segment and penetrating it.
- ☐ ☐ Specifies how much money the company needs and how funds will be obtained.

Management and Organization**Yes No**

- ☐ ☐ Explains the legal form of business.
- ☐ ☐ Lists key management positions, including primary job responsibilities.
- ☐ ☐ Identifies the board of directors/advisory board members, including primary contributions expected.
- ☐ ☐ Documents the process of recruiting and selecting employees.
- ☐ ☐ Clarifies the compensation and employee reward systems.
- ☐ ☐ Establishes credibility of the management team.

Products/Services

Yes No

- ☐ ☐ Describes product/service in plain language (not too technical).
- ☐ ☐ Describes product/service in specific terms (not too broad).
- ☐ ☐ Provides evidence that the product/service is technologically feasible.
- ☐ ☐ Identifies unique features.
- ☐ ☐ Identifies special benefits.
- ☐ ☐ Wholly explains product/service liabilities and potential solutions.
- ☐ ☐ If applicable, identifies production process and facility plans.
- ☐ ☐ Provides backup suppliers and subcontractors.
- ☐ ☐ Anticipates future related products/services and spin-offs.
- ☐ ☐ Describes how intellectual property will be created and protected.
- ☐ ☐ Lists requirements from regulatory agencies.

Marketing Plan – Industry Profile

Yes No

- ☐ ☐ Focuses on current size and growth potential of the industry.
- ☐ ☐ Discusses industry trends and opportunities associated with each.
- ☐ ☐ Addresses geographic locations, seasonality, and industry profit characteristics.
- ☐ ☐ Identifies existing distribution networks.

Marketing Plan – Competitive Analysis

Yes No

- ☐ ☐ Identifies direct, indirect, and future competition.
- ☐ ☐ Contains matrix to illustrate competitive position in marketplace.
- ☐ ☐ Describes competitive advantage.

Marketing Plan – Marketing Analysis and Penetration

Yes No

- ☐ ☐ Contains customer profile.
- ☐ ☐ Contains target markets and size of each.
- ☐ ☐ Fully illustrates the image of the company.
- ☐ ☐ Describes plans to reach the market, including customer service, location, sales force, licensing and distributing.
- ☐ ☐ Addresses plans for advertising and promotion.
- ☐ ☐ Includes plans for marketing through technology, including the Internet.
- ☐ ☐ Discusses other penetration strategies, including publicity, telemarketing/direct mail, Web site, and trade shows.
- ☐ ☐ Describes plans for evaluating market penetration effectiveness.

Marketing Plan – Pricing

Yes No

- ☐ ☐ Addresses pricing strategy.
- ☐ ☐ Contains price sheet.
- ☐ ☐ Includes volume and special pricing information.
- ☐ ☐ Contains the company's pricing policies.

Operations Plan

Yes No

- ☐ ☐ Describes control systems.
- ☐ ☐ Overviews risk management.
- ☐ ☐ Documents work flow and related accounting processes.
- ☐ ☐ Refers to procedures and employee manuals.
- ☐ ☐ Describes disaster plan.

Financial Plan

Yes No

- ☐ ☐ Sales and profit projections appear to be reasonable.
- ☐ ☐ Assumptions and projections are wholly supported.
- ☐ ☐ All operating expenses have been included.
- ☐ ☐ Hidden costs have been identified.
- ☐ ☐ Salaries and other benefits are in line with industry standards or entrepreneur's goals.
- ☐ ☐ Contingency plan seems reasonable if sales forecasts go unmet.
- ☐ ☐ Figures on various documents are consistent.
- ☐ ☐ Sources of debt or equity financing are appropriately identified.
- ☐ ☐ Exit strategy is clearly defined.

Appendix – for formal Business Plan

Yes No

- ☐ ☐ Contains resumes of the management team and key personnel.
- ☐ ☐ Contains all employee contracts, stock option plans, and retirement plans.
- ☐ ☐ Contains personal financial statements for each of the principals.
- ☐ ☐ Contains patent and copyright approvals.
- ☐ ☐ Contains such agreements as partnerships, sales, distributor contracts, non-compete/non-disclosure, corporate bylaws, and other legal documents.
- ☐ ☐ Contains copies of product/service brochures or other advertising samples.
- ☐ ☐ Contains copies of all logos that have been developed.
- ☐ ☐ Contains copies of recent reference letters, recommendations, and endorsements.
- ☐ ☐ Contains copies of market studies or articles from trade journals or other media.
- ☐ ☐ Contains professional photographs of the product.
- ☐ ☐ Contains detailed outlines of the operating and control systems.
- ☐ ☐ Contains customer-signed orders or letters of intent.
- ☐ ☐ Contains documents that support the industry study.
- ☐ ☐ Contains detailed description of high-tech products.

C. Have the final draft of your Business Plan reviewed by a trusted adviser. Feedback from trusted advisers can be immensely valuable in determining the strengths and weaknesses of your plan. If possible, someone familiar with your industry should review the plan. Ask your reviewer to check for these components:

Product/service – Do your products and services represent the core competencies of your business? If a growth plan includes an expansion of the product or service line, does the expansion seem reasonable? Do governmental regulations exist that are not discussed in the plan?

Market – Does the Marketing Plan accurately describe the growth potential of the market? Is the market penetration plan reasonable and affordable?

Financial – Are the revenues and expenses accurately portrayed? Can the necessary growth funds be obtained? Is an exit strategy identified?