Name of Company

Business Plan

Address

City, State Zip

Phone

E-mail

Author’s Name

Day Month Year Table of Contents

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Overview of the business explaining the fundamentals.

* 1. Business Owner(s) & Product/Service
     1. Who are you and what qualifies you to operate this business?
     2. What is the product or service (brief description)?
  2. Mission Statement
     1. Briefly describe what you will do to be successful and guiding principles (service, quality, community focus, passion for the business, etc)
  3. Company Structure
     1. State sole proprietorship
     2. LLC
     3. Corporation
     4. General Partnership
     5. Limited Partnership
     6. Status of business (start-up, expansion of a going concern, take-over of existing business, franchise, etc.).
  4. Target Market(s)
     1. Who are the customers?
        1. Industrial
        2. Consumers
        3. Government
     2. Is your business B2B (business to business), B2C (business to consumer), B2G (business to government), etc. Explain.
  5. Current Opportunity
     1. Why is the opportunity currently available to you?
        1. New idea or technology?
        2. No competition?
        3. Special skills?
  6. Projection of Business Future
     1. What is the future of the business?
        1. Limited (time) opportunity or timeless?
        2. Why?
  7. Financial Summary
     1. Total amount of funds sought for venture: $
     2. Total amount of estimated startup costs: $
     3. Total amount of projected average monthly expenses: $
     4. Total amount of projected average monthly revenue: $

1. Market Analysis
   1. Determines access to the market by studying the industry, competitors and customer demographics (so you can choose a target market).
   2. Industry, Yesterday, Today and Tomorrow
      1. What industry does your product/service mix fall under? What has this industry done in the last several years, what is it doing today, and what do industry analysts (trade organizations) predict for the future?
   3. Competitive Analysis (Appendix B)
      1. Who is the competition? If there are many it will be easy to enter the market, but hard to get significant share- If there are few, it might be harder to enter, but you could gain significant share.
   4. Demographics & Target Market
      1. Do a thorough study of the population demographics in the market your business will sell in. Then, decide what type of person (target market) will buy your product. Does the population demographic in your area have enough match well? Is there enough of this type of client (target market) in your area to have a successful business?
      2. Market Segments can include:
         1. Age
         2. Sex
         3. Income
         4. Education Level
         5. Occupation
         6. Location (region, neighborhoods)
         7. Lifestyle (psychographics, hobbies)
         8. Business Organization (size, industry)
         9. Religion
   5. Entry Barriers
      1. Are there barriers to entry? High entry cost? High risk and cost to get in, but limits the amount of competitors. Low entry cost? Low risk and cost to get in, but likely to have many competitors. Are there permits or regulatory approvals required?
      2. Are there other competencies you need to develop? Are they easily achievable?
2. Marketing Strategy
   1. Build strategy from core competencies (quality, speed, service, product, price, convenience, location, etc.) The strategy is to tell customers what you will do better than the competition. Customer must be able to clearly see value.
   2. Product/Service
      1. Give a detailed description of your product or service. Including photos creates a more powerful presentation.
   3. Sales Strategy
      1. How will you get to your product/service to the market? Direct sales? Through a channel (distributor, manufacturers representative, retailer, internet)?
   4. Promotion
      1. How will you promote your product/service to the customer? Examples are:
         1. This goes back to demographics and figuring out what types of person (target market) will buy your product. So, what kind of advertisements does this person respond to the best?
   5. Pricing Strategy
      1. How you are going to price your product or service? Look at the competition’s price, what you believe your costs might be, and can you get the same price or a premium over the competition?
      2. Penetration pricing strategy
         1. Price charged is set artificially low to gain market share. Once achieved, price is increased.
      3. Skimming pricing strategy
         1. Charging a high price because you have a substantial competitive advantage. However, the advantage is not sustainable. The high price tends to attract new competitors into the market, and the price inevitably falls due to increased supply.
      4. Follow-the-leader pricing strategy
         1. Set price based on competitors (leads to “price wars”).
      5. Variable pricing strategy
         1. Price fluctuates based on (changing) cost of production.
      6. Economy Pricing
         1. No frills low price; the lowest possible regardless of what other are doing. Cost of marketing and manufacture are kept at a minimum.
      7. Premium Pricing
         1. High price is for a uniqueness about the product or service. This approach is used where a substantial competitive advantage exists.
   6. Web Strategy
      1. What will you use your web site for? Examples: simply marketing, sales transactions, inventory, customer education, partner networking, etc.
   7. Differentiation (Competitive Advantage)
   8. This brings your entire marketing strategy together.
      1. Why will you succeed? What will you do different than the competitors? These are called your “core competencies”, what you do well that perhaps the competition does not. List your core competencies. Examples would be superior service levels, exceptional quality, speed, better product or service, better location, etc.
      2. If there is enough differentiation, you can be successful. If there is little or no differentiation, then you will usually need to rely on price to get business; not the best option for a start up business.
3. Operations Plan

How product is made and/or service fulfilled, and other core characteristics of your business:

* 1. Location
     1. (include complete address).
  2. Operation
     1. When business will or did open
     2. Hours
     3. seasonal or not
  3. Organization Structure
     1. sole proprietor, corporation, LLC, etc.
  4. Employees
     1. Number of employees needed.
     2. List each position and what its primary responsibilities will be.
     3. Type of employees needed (special skills, knowledge or education).
  5. Space
     1. for production needed
     2. for people needed
  6. Capacity:
     1. how much product/service can you provide in a certain time frame.
  7. Critical Suppliers.
  8. Financial system.
     1. Hire a accountant or do it yourself?
  9. Computer system.
     1. You will need some sort of business system, even if it is manual to begin with. List what it will be and what it will need to do.
  10. Equipment
      1. Computers
      2. Tools
      3. Fixtures
      4. Displays
      5. Vehicles
      6. List everything you need to conduct business!
  11. Permits and Licenses
      1. Permits
      2. Licenses
  12. Insurance
      1. Type
         1. Coverage amount
  13. Contracts
  14. Patents and Copyrights
      1. Patents
      2. Copyrights
  15. Credit Policy

1. Financial Plan

Explain your financial strategy.

* 1. Product and Service Pricing
  2. List all of your products and services and how they will be priced. Then, list how many you will sell each month for the first year. Add these totals to your cash flow projection.
     1. Product / Service
        1. Price / Rate
     2. Product / Service
        1. Price / Rate
     3. Product / Service
        1. Price / Rate
     4. Product / Service
        1. Price / Rate
     5. Product / Service
        1. Price / Rate
     6. Product / Service
        1. Price / Rate
     7. Product / Service
        1. Price / Rate
  3. Funding Source(s)
  4. Explain where you intend to obtain funding and how much you will receive from each source.
     1. Location
        1. Amount
     2. Location
        1. Amount
     3. Location
        1. Amount
     4. Location
        1. Amount
     5. Location
        1. Amount
     6. Location
        1. Amount
     7. Location
        1. Amount
  5. Cash Flow Projection (Appendix A) Appendix A: Cash Flow Statement

Insert Cash Flow Statement

Appendix B: Competitive Analysis

Take a look at your most prominent competitors and rate them on the following characteristics. Now you have done that, decide how you will make your business appear different (better) to the public, by rating how you want to be.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Factors | You | Competitor 1 | Competitor 2 | Competitor 3 | Competitor 4 | Competitor 5 |
| 1. Products |  |  |  |  |  |  |
| 2. Price |  |  |  |  |  |  |
| 3. Quality |  |  |  |  |  |  |
| 4. Product selection |  |  |  |  |  |  |
| 5. Customer Service |  |  |  |  |  |  |
| 6. Product Service |  |  |  |  |  |  |
| 7. Reliability |  |  |  |  |  |  |
| 8. Abilities: Services Offers |  |  |  |  |  |  |
| 9. Image |  |  |  |  |  |  |
| 10. Location |  |  |  |  |  |  |
| 11. Atmosphere |  |  |  |  |  |  |
| 12. Appearance |  |  |  |  |  |  |
| 13. Sales Methods |  |  |  |  |  |  |
| 14. Credit Policy |  |  |  |  |  |  |
| 15. Availability |  |  |  |  |  |  |
| 16. Management |  |  |  |  |  |  |
| 17. Stability |  |  |  |  |  |  |
| 18. Marketing |  |  |  |  |  |  |

Appendix C: Resume