

Business Plan Writing

The Basics

Business Plan Outline

- Typical Table of Contents
 1. Executive Summary
 2. Company Summary
 3. Products
 4. Market Analysis Summary
 5. Strategy and Implementation
 6. Management Summary
 7. Financial Plan
 8. Appendices

1. The Executive Summary

- In spite of the fact that it appears first, it is actually the final section to be written.
- The executive summary should be no longer than two pages.
- It summarizes the whole plan in a nutshell
- Make it dynamic and exciting to capture the reader's interest.
- Write it as if you were a consultant who was hired to write this plan for someone else.

Executive Summary

- Contains only a paragraph or two about each of the other 7 sections.
- Like all other sections, it is written in the third person.
- Not everybody reads the details.
- Make sure that your Executive Summary is clear, concise and easy to understand.
- Market yourself here.

2. The Company

- This is the section where you introduce the business in more detail.
- Outline the type of business.
- Company History
- Products and Services

The Company

- Break this section down into subsections.
 1. General Business Overview
 2. Company Structure
 3. Location
 4. Key Personnel
 5. Goals and Objectives
 6. Strengths and Weaknesses
 7. Mission and Vision Statements

2. The Company

- **General Business Overview**

A description of the business and where it fits into the marketplace.

Describe what needs the business will be filling and how it will go about filling them.

Describe the markets that will use your business and any business history.

REMINDER

- Write your entire plan in the 3rd person.
- Refer to the business, the owner, ABC Company, The Company, The Store etc.
- **DO NOT** use I, we, our, mine, my or any other possessive terms when writing your business plan.
- **Accentuate the positives.**
- Avoid “Wishing and Hoping” Change words like “think” to “Know”, change “if” to “when”, change “hope” to “will” etc. etc.

2. The Company

- **Company Structure**
- Outline the corporate structure
- Are you a sole proprietor, partnership or an incorporation?
- List any shareholders, partners and incorporation information.

2. The Company

- **Location**
- Describe the location, its benefits, amenities and accessibility to customer traffic.
- Indicate freight routes, traffic statistics (municipality), area demographics (newspaper) and growth rate.
- Details of parking and zoning.
- Cost of Lease or Mortgage plus taxes & utilities
- Explain why you chose this location
- Outline any renovations or alterations to be done.

2. The Company

- **Key Personnel**
- Include a brief profile of all key partners and employees outlining their duties and experience.
- Include their resumes in the appendix.
- Highlight their relevant education and expertise, business qualifications, work history and references.
- Include yourself.

2. The Company

- **Goals and Objectives**
- Outline the goals and objectives of the company.
- State long and short term goals.
- Make them SMART goals.

2. Strengths and Weaknesses

- **SWOT Analysis**
- What will be the strengths of the business?
- Stress where & why you excel.
- DO NOT include marketing strengths and Weaknesses as they will be covered in the marketing section.
- Discuss any weaknesses and vulnerabilities of the business and what the plan is for mitigating or overcoming them.

2. The Company

- **Mission and Vision Statements**
- The Mission Statement describes your company philosophy in a few sentences. (very few)
- The Vision Statement describes how you see your company in the future.
- Study other mission statements and design one that is uniquely yours.
- The Mission Statement shows your commitment to the business and its customers and provides a written promise for you to uphold.

2. The Company

- This is the end of section 2 of your business plan and might be a good place to take a break, review what you have written and edit and refine it before moving on.
- Get someone else to proof read the section for you.
- Make all your corrections and save to your computer **AND** your flash drive.
- Save often as Save is your friend.
- Read through what you have written & eliminate all the I, we, us, own, our references.

3. Products and Services

- 3.1 Product Description
- Describe your products and/or services.
- List the ***Benefits*** of your products or service.
- Describe your advantages over the competition.
- Realistically assess the volume you can do. (Out put)
- Describe the business developmental stage.
- List any potential or current contracts.
- If you have orders or letters of intent include them in the appendix

3. Products and Services

- **3.2 Cost of Sales**
- Detail your profit margins on individual products and services.
- Show what your products sell for and the cost of raw materials.
- If you are a reseller, quote the cost to you including freight, packaging, wages, etc.
- Point out the expected profit margins and explain how the business will maintain them through expansion and/or market fluctuations.

3. Products and Services

- **3.3 Future projections**

- If you plan any future expansion or development include this information.
- List any potential threats and opportunities.

- **3,4 Legal Concerns**

- If your business entails legal considerations like copyrights, patents, trademarks or special licenses, include it here.

REMINDER TIME AGAIN

- Don't make sweeping generalizations that you can't back up.
- Be prepared to support any statement you make with facts.
- Quote your sources when citing demographics etc.
- Include a copy of the source in the appendix
- Add a note like "See appendix 3a" in brackets near the statement or insert numbered footnotes in the footer
- Make sure your pages are numbered and your company name appears at least once on every page.

4. Marketing Strategies

- **4.1 Market Research**
- **4.2 The Competition**
- **4.3 Marketing and Sales Strategies**

4. Marketing Strategies

- **4.1 Market Research**
- An analysis of today's market and trends
- Past and future industry trends
- Your target market size and demographics
- Your ideal customer profile
- Your realistic projected market share
- Geographic Boundaries
- Seasonal Trends
- Customer Service policies

4. Marketing Strategy

- **4.1 Market Research (continued)**
- Strengths and weaknesses
- Market Survey Results
- Use a synopsis version of your market survey here but include how many people you contacted, what questions you asked and what the responses were.
- Convert answers into percentages.
- Include a sample survey form in the appendix.

4. Marketing Strategy

- **4.2 The Competition**
- Identify the current competition, their size and market share
- Analyze the strengths and weaknesses of the competition
- Outline how you plan to overcome their strengths and target their weaknesses.
- Your Company's SWOT analysis
- What makes your company unique?
- What will it cost to remain competitive?

Marketing Strategies

- **4.3 Marketing and Sales Strategies**
- The plan within the plan. The marketing plan will outline exactly how you will find potential customers.
- A sound marketing plan includes a mix of methods, including the use of various media, promotional methods, and potential one on one techniques.

4. Marketing Strategies

- **4.3 Marketing and Sales Strategies**
- Describe what promotional and media methods you will use
- Outline any special services or policies
- What target market will each method reach?
- What is the effectiveness of each method?
- How frequently will you use which media & why?
- How will you track results?

Marketing Strategies

- **4.3 Marketing and Sales Strategies (Continued)**
- How will you sell your product or service?
- Will you be wholesale, retail or direct sales?
- Will you use representatives, agents, distributors or staff?
- Incentives or sales bonus schemes?
- What is the realistic potential reach of your sales force?

Operational Information

- **5.1 Overhead Costs**
- Explain your estimated overhead costs and demonstrate a break even point.
- A detailed explanation will be included in your financial projections so don't go into great detail here.
- A brief summary of monthly expenses.

Operational Information

- **5.2 Suppliers**
- List your suppliers
- What are their terms of credit?
- How much lead time between order and delivery?
- Make note of any personal guarantees you had to sign in order to obtain credit.

Operational Information

- **5.3 Quality Control**
- Describe your policies on quality control.
- Describe any hazards or environmental risks and how you propose to deal with these obstacles.
- Describe any special safety measures or procedures relevant to the production of your product.

5. Operational Information

- **5.4 Distribution**

- Outline how your products will be delivered or distributed and any competitive advantages to your methods.

- **5.5 Employees**

- List any staff positions along with their job descriptions, areas of responsibility and expected salaries.

5. Operational Information

- **5.6 Assets and Equipment**

- List any buildings owned.
- List any equipment already on hand.
- List any equipment to be purchased.
- Provide a price and life expectancy for each asset.

- **5.7 Advisory Board**

- Identify the members of your advisory board & give their backgrounds & qualifications.

5. Operational Information

- **5.7 Insurance policies**
- List the various insurance policies that you will take out and their individual costs.
- Liability
- Fire and Theft
- Worker's Compensation
- Employment Insurance
- Key Management and/or Key Employee Insurance

5. Operational Information

- **5.8 Licenses and permits**
- List any licenses or permits that your business requires to operate and their assorted costs.
- Include your business registration information.
- Include your business permit.

6. Financial Information

- The Viability of your business culminates in this section when you prepare projections of income & expenses, cash flow forecasts and when you review how much money you may require.
- Even if you plan to be self funding, projections and cash flows facilitate making sound management decisions now and in the future.

6. Financial Information

- **6.1 Projections of income & expenses**
- Include a month by month estimation of sales and expenses
- Include start up costs
- Itemize by the month that revenue was generated and the month when the costs were incurred.
- Be conservative with revenues and practical with expenses.
- Make sure the bottom line indicates profits or losses.

6. Financial Information

- **6.2 Cash Flow Forecasts**

- A cash flow forecast differs from projections as it estimates when revenues will be received (as opposed to generated) and when expenses will be paid.
- Includes income from loans and other sources.

- **6.3 Financial Statements**

- Banks require a projected balance sheet and at least 2 years of financial statements.

6. Financial Information

- **6.4 Capital Expenses**
- Include a list of capital spending such as asset purchases or building renovations (leasehold improvements)
- **6.5 Net Worth Statement**
- Net Worth Statements indicate the stability of the key management players
- List the owner's personal assets, liabilities & net worth

7. Funding Requirements

- If you need to borrow, explain how much you need, what you are going to use it for and how and when you will repay the loan.
- Explain how you plan to secure the loan and with what assets.
- Show the amount borrowed in your financials and include the monthly payments in your cash flow projections.
- If seeking an investment partner, indicate the share of the company available in exchange for investment.

7. Funding requirements

- When you need the money & how much
- The type of loan you are applying for
- The desired terms of payment
- A breakdown of how you will use the funds
- Any future funding requirements
- Any expansion plans.

8. Appendix

- Up to Date Financial Statements
- Personal Statements of Net Worth
- Letters of Reference or Letters of Intent
- Product Photos and brochures
- Relevant Newspaper articles or internet downloads
- Resumes of Key employees or partners
- Incorporation or business registration papers
- Cash flow projections and sales forecasts

8. Appendix

- Permits
- Licenses
- Trademarks or Patents
- Market Surveys
- Equipment and Asset appraisals
- Partnership or employment agreements
- Insurance policies
- Mortgages or Leases

Getting it done!

- Review the various sections frequently
- Save often
- Save in more than one location
- Get someone to proof read it and edit it
- Get more than one person to proof read it
- Present it to your advisory board and request feedback.
- Spell check it
- Print it on high quality paper and bind it in a quality cover.

Writing your Business Plan

Managing Your Business