

## BUSINESS PLAN OUTLINE

### I EXECUTIVE SUMMARY

An Executive Summary provides a concise overview of the business plan and should be no more than two pages. It is the first component of your business plan but is typically prepared last.

The Executive Summary should include descriptions of the owners and their experience, your legal structure, your products or services, the market potential, the location, your operations and number of employees. Include a brief sales and profit history and a projected sales and profit performance. How much money do you need for your current project (start-up, expansion, or acquisition)? How much will come from a loan and how much from the owners' equity investment?

### II GENERAL BUSINESS DESCRIPTION, CONCEPT, GOALS

Describe the business, including history and major products or services. Is the company a manufacturer, retailer or service business? Talk about the current status of the business: is it a start-up, ongoing, expansion or are you buying a business? What is the value of your assets?

What customers are you attempting to serve? Why will they want to purchase your product/service? Where is the business located? Where will you do business (locally, nationally, internationally)?

Discuss the business' goals: new product development, growth, etc.

### III MARKET PLAN

#### **Product or Service and Pricing**

Describe all the products and services the business offers. Explain the benefits of your products and how they stand out from the competition. Why will there be a demand for your products? Describe the price of your product or service and if it is priced at the low, mid or high end.

#### **Location**

Describe your location in terms of geography, customer access, proximity to competitors and to transportation, distribution of goods, neighborhood and zoning.

#### **Market Analysis**

Describe your target market – who will buy your product or service and why – and your target market demographics and trends. What is the profile of your typical customer? (Age range, gender, geographic location, income level, interests, etc.)

Describe the size, maturity, and competitive nature of your industry, any barriers to entry and growth, and the effect of economic swings upon the industry. Talk about factors affecting market growth – industry trends, socioeconomic trends, government policy, population shifts, local developments, etc. Show how these trends will have effect your business.

### **Competition**

Briefly describe each of your primary competitors. You might use a table to present your competitive analysis, to compare your company to your competitors. Categories can include quality, distribution, price, location, customer profile, production capabilities, image and breadth of products/services, market share, and sales. How will you differentiate your business from your competitors? What do you have that your competitors do not?

### **Market Strategy**

How will you reach your market with your product or service? What are your distribution channels? Discuss the type and number of sales staff needed.

Describe credit policies for your customers. Will you collect accounts receivable immediately, or within 30, 60 or 90 days.

Describe your advertising plan, and include an advertising budget. Describe all the advertising vehicles you plan to use, such as newspapers, magazines, radio and TV, Yellow Pages, a website and a grand opening. Discuss your public relations program. Will you participate in trade shows? What promotional materials will you create? Brochures, package design, business cards, etc. What other sales strategies will you employ? Word of mouth, free give-aways, discounts, attractive signage, etc. You may want to develop a marketing calendar.

## **IV ORGANIZATION PLAN**

### **Operations**

- Describe the hours and days of operation
- Is your location leased or owned? How many square feet is it?
- Discuss plant/office/facilities capacity and utilization. If it is a manufacturing business, explain how the products will be manufactured.
- What type of equipment and supplies do you need? Will the equipment be leased or owned? How much will it cost to purchase?
- Discuss key vendor relationships and inventory management.
- Cover all aspects of distribution and service.

## **V MANAGEMENT AND ORGANIZATION**

- Include a bio of the owner's experience and skills. Include a resume in the appendix.
- Describe each owner's role in the operation of the business.
- Describe the current and anticipated legal structure for your business: Is it a sole proprietorship, partnership, or corporation? If it is a partnership or corporation, what is the percentage of ownership for each principal?

- Describe your proposed organizational structure, and specifically identify the responsibilities of each position. Include an organizational chart. What hours will each employee work? Will they be part-time or full-time?
- Describe professional resources (attorney, accountant, consultants and advisors) available to the business.
- Discuss your personnel policies and compensation packages.

## **VI FINANCIAL PLAN**

Include monthly financial projections for the first year and annual projections for the next two years. Use the following financial tools:

- Cash flow
- Income statement (also called a profit and loss statement)
- Balance sheet
- List of start-up costs (for start-up businesses only)
- Breakdown of sales with assumptions
- Break-even analysis

## **VII APPENDICES**

- Resumes
- Copy of lease
- Articles of Incorporation
- Partnership agreements
- Map
- Floor plan
- Market survey results
- Marketing materials
- News articles about the business
- Photos of comparable businesses