
Business Plan Guide

Executive Summary

The executive summary is the doorway to your business plan. It explains who you are, what you want to do, where and when. The summary should outline and emphasize your plan's main points. It becomes one of the most influential parts of your business plan when speaking to potential funding sources.

Briefly state what your business does (retail, service, manufacturing, marketing, other), your objectives or goals and your competitive advantage.

Your summary should thoroughly answer these questions.

- Who is/are the owner(s)?
- What legal form of organization will your business take? (sole proprietorship, partnership, limited liability company, corporation)
- What is your experience in this business, or if you have no experience in this business, who will supply you with the necessary expertise to operate it?
- Who will your customers be? What market do you intend to service, the market size, and your expected share of the market.
- Why can you service the market better than your competition?
- Why have you chosen your particular location?
- What management and other personnel are required and available for the operation?
- If you will be doing contract work, what are the terms? Reference any firm contract and include it as a supporting document.
- If you have letters of intent from prospective suppliers or purchasers, also include copies of those letters as supporting documents.
- How much funding will you need?*
- How much of your own cash will you be putting into the business, representing an equity investment of what % of funds required to start?*
- Do you have real estate to use as collateral? (If so, list it on your personal financial statement.)

In the final paragraph, state why the business will be successful, using as many reasons as possible. Examples: location, niche, competitive advantage, years of industry experience, education, existing customer base, existing successful company with positive cash flow, proven marketing plan, complimentary skills of owners, etc.*

NOTE: The executive summary should not exceed one page.

Objectives

Setting your objectives, such as market share, sales and profit will determine your business goals. Make sure all objectives are concrete and measurable. They should indicate percentage of sales growth, anticipated profits, a percentage of gross margin, number and type of employees to hire and when and the market share you plan to attain. Avoid using vague objectives like "being the best" or "growing rapidly." Set at least three objectives for your business.

Mission Statement

A mission statement expresses the higher goals of your company such as providing services to unique industries, spreading new technologies or improving education. If your company has a mission, state it simply in one or two sentences. What does the company do and how does it affect customers?

Company

The following section should describe the details of the company. How did the business or idea start?

1. Company Ownership

Describe the ownership of your company. Is it a partnership, sole proprietorship, LLC, or corporation? Is it publicly traded or privately owned? What % does each owner own?

2. Company History

Existing companies – Give brief history of operations.

Startup companies – Summarize the idea of the business.

3. Company Location and Facilities

Give the address and justify why the location is perfect for the business. Include surrounding places and/or highways that will encourage growth.

Give a description of the inside of the facility and its relevance to the business.

Product(s)/Service(s)

What type of product or service do you plan to sell? Describe each product or service in detail. How does the product or service compare to the competition? The more complex the industry, the more specific the description should be.

- Description of Product/Service - List your product(s)/service(s) individually and describe how they benefit your customers.
- Important Product(s)/Service(s) Features and Competitive Comparison - Describe the important competitive features of your product(s) or service(s) or both. How do your products/services compete against other brands and/or competition? What makes the business unique?

Customer Service

How do you plan to service the product? Include customer support, guarantees and hours of operation.

Market Analysis

- Industry Analysis - Give factors and/or news that affecting the current industry. Reference articles from newspapers, magazines or SearchBank. Information you provide will set the scene for the market forecast section.
- Market Forecast/Target Market - Give factors that describe the market surrounding your company. What are the demographics of your market? Do you know traffic counts? Show that you understand your market. Link answers directly to demographic information.

Competition

List your five nearest competitors. Is their business steady, increasing or decreasing? Why? How are their operations similar or different to your operations? What are their strengths and weaknesses? What have you learned from watching their operations? How will your operations be better (or different) than that of your competitors?

- Keys to Success - In order for (company name) to remain competitive in its target market, the business must focus on competitive qualities. List three or more ways the company will obtain a strategic advantage over its competitors. Will it be efficiency, experience, location?
- SWOT Analysis
 - ◊ Strengths of the company - What skills does the company possess that will ensure the future success of it?
 - ◊ Weaknesses of the company - What skills does the company not possess that could potentially be the downfall of the company and how do you propose to fix the weaknesses?
 - ◊ Opportunities of the company - Are there any opportunities (i.e. growing community) that you can foresee

that will allow your business to grow and be prosperous?

- ◇ Threats to the company - What are the threats (i.e. heavy competition) that can potentially hurt the company in the long run?

Business Strategy and Implementation

Give step-by-step strategies to meet the objectives set by the company. Provide plans for any future service or product lines beyond the three-year projections.

- Advertising/marketing/promotion - Describe advertising and marketing planned for your new business. Include examples of brochures, direct mail, print advertising, broadcast advertising, Yellow Pages, social media, publicity events, networking opportunities or other promotional strategies you plan to pursue.
- Marketing Strategy - How will the company use these advertising/marketing/promotional strategies to build a solid customer base? What type of initial promotions?
- Sales Plan - What plans does the company have to increase the customer base to meet the objectives? What offers or guarantees do you have?
- Strategic Alliances - What strategic alliances does the company have? Will you offer more product lines? Do you have solid relationships with distributors? Will you take advantage of training and technical support to stay on top of your industry's movement?

Organization

Describe each manager's organizational responsibility.

- Organizational Structure - Illustrate your company's organization.
- Management Team - List your management team. Include summaries of relevant experience or brief resumes of each member. Describe each person's function within the company.
- Management Team Gaps - Identify skills the team does not possess and discuss plans to fill these needs. State any gaps that management has in the operation of the company. Typical examples are legal and accounting deficits.
- Other Management Team Considerations - Add any additional information that may be pertinent to the business plan. For example, the client may have access to business information from an owner in a non-competitive area.

Financial Analysis

The projected financial statements for the first three years of operation are located in the appendix.

- Financial Assumptions
- Start-Up Costs and Capitalization - In order to purchase (company name), (client name) requires \$XX,XXX in commercial funding.
- Financial Ratios

Future Plans

Include a paragraph on projected business growth for 3-5 years. Include details on how you will accomplish this business growth.

Final Checklist

After you have completed your business plan, look it over carefully for any mistakes and weaknesses. One very important part of the business plan often overlooked is the overall consistency of the plan. Some questions that you should ask yourself about the plan are:

- Do the financial projections match throughout the entire business plan?
- Are the timelines and dates correct? (This is particularly important for revised business plans.)
- Are the assumptions substantiated and can you justify your conclusion if asked?
- Have you considered an exit plan, disaster plan or backup plan? What about potential stumbling blocks?
- Do you fully understand all of the financial and proprietary information if an outside source was used to prepare the business plan?
- Are you ready to personally guarantee any loans in the name of the business? Unwillingness to guarantee raises a red flag to a lender. If a business owner will not stand behind their business why should the financial institution do it?
- Can you put a minimum of 20% to 30% equity in the business? The bank will expect you to have a stake in the business.
- Are your projections for income and profit feasible?
 - Do you have a cover sheet that tells who you are and all your contact information?