



Creating a Comprehensive Business Plan

Although most people know that it is wise to have a well calculated Business Plan before starting a company, many people do not know how to properly prepare one. The following guidelines will help you construct an effective Business Plan.

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What is a Business Plan?

A Business Plan is a "plan of action" which outlines your business goals and how you are going to achieve them. Preparing a Business Plan is a critical part of ensuring your business success.

A Business Plan forces you to think through major management decisions dealing with all aspects of a business venture, including:

- Your basic product or service
- Your customer base/market area
- Your pricing strategy
- Your major competitors and how you differ from them
- Your marketing methods and sales forecasts
- Your company structure and operations plans
- Your management team
- Your financial projections, and
- How your business will be financed.

The final product is a printed document, approximately 10-15 pages long.

Business Plans are especially important for new companies starting up. However, existing entrepreneurs are smart to look at their business(es) every few years and write a Business Plan to make sure they are still on track.

Who will read the Plan?

Business Plans are prepared for three main audiences:

1. You – It's important that you truly believe that this business venture will work. The Business Plan gives you an objective view of your business idea and will clearly indicate whether it will work.
2. Possible Partners – To sell your idea to others, you need to have all questions answered in advance.
3. Investors – Anyone considering investing in your business will insist on a comprehensive Business Plan.

What kind of Business Plan format is best?

No two Business Plans are alike and the format you use will depend on your business – retail, service, manufacturing or wholesale. For example, a business plan for a manufacturing company will emphasize plant and production issues, while a business plan for a retail business will be concerned with customer demand and location. However, all Business Plan should be written in a concise, well-structured format.

General Outline for A Comprehensive Business Plan

Cover Page

- Name of Business, Logo (if available)
- Purpose
- Address, Telephone #, Fax #, website address
- Date Plan was completed
- Picture of Business, Product(s)

Table of Contents (Seven Sections)

<i>1.0</i>	<i>Executive Summary</i>
1.1	Highlights of Business Plan (2-3 page overview)
1.2	How business started, where it is currently, where it is going
1.3	Mission Statement
1.4	Clear explanation of product/service
1.5	Define customer base
1.6	Unique selling advantage/feature compared to competitors
1.7	Future projections of sales
1.8	Resources for suppliers
1.9	Indicate amount required to borrow for investment
1.10	State how funds will be used and the benefit of the funds to the venture
1.11	List repayment terms

2.0 *Company Profile (Two Sections)*

2.1 Section 1 – The Business

2.1.1 Background

- How and When the Business started
- Type of company (sole owner, partnership, etc.)
- Founders, Key Personnel, Owners of Business (percentage of ownership)
- Key products or services
- Achievements to Date
 - ***Company Strategy*** -
- Market opportunity and how company will take advantage
- Potential for growth and improvement
- Company's strengths and challenges
- Any factors threatening your success
 - Future Plans & Goals -
 - (list)

2.2 Section 2 – Industry Environment

2.2.1 Industry characteristics

2.2.2 Major players, competition strengths and weaknesses

2.2.3 Industry trends and future outlook

3.0 *Market Analysis & Strategy*

3.1 Main product or service

3.2 Who are your customers

3.3 Who are your competitors

3.4 Prepare a Marketing Plan –

- Detail the best way to sell your product/service to customers, considering your competition;
- Describe how you will position the product, considering your competition;
- Indicate who will do your marketing, how, where, when;
- Estimate how much your marketing will cost for each step.

4.0 *Management Analysis*

4.1 Produce an organizational chart

4.2 Biography for each person, list:

- Personal background
- Employment history
- Industry, Financial, Small Business Management experience
- Education
- Community Involvement

4.3 Indicate any professional assistance you may have contracted (ie: accountant, lawyer, marketer, etc.)

5.0 *Operations*

5.1 Detail how your company operates –

- Retailer/Wholesaler, Service Business, or Manufacturer

6.0 *Financial Projections*

6.1 Cash Flow Statement

- Project monthly for one year

6.2 Income Statement

- Project monthly for one year

7.0 *Legal Issues*

7.1 Declare any legal issues that may be connected with your venture.

The above should give you a Comprehensive Business Plan.