

INTRODUCTION

Creating an extensive business plan is unnecessary for most businesses to get started. However, a short but detailed business plan offers several benefits that more than outweigh the investment of time you would put into a longer plan.

If you have ever dreamed of owning your own business, it's important to make sure you cover all the business planning components to be able to start, grow and manage your business successfully.

Whether you want financial success or to turn your passion into a livelihood, transforming the idea of being your own boss into reality doesn't have to be daunting.

This **Business Start-Up Guide** is designed to help you turn that desire to start your own business into a reality. We have selected some important topics that you should review before you open your doors.

This template is organized into seven sub-plans or sections to be completed.

1. Executive Summary
2. Company Overview
3. Business Description
4. Market Analysis
5. Operating Plan
6. Marketing and Sales Plan
7. Financial Plan

I recommend that the Executive Summary be completed last. Be clear about WHY you are going into business. Establishing a successful business requires more than a great idea and a willingness to give it a go.

Keep this plan updated and don't forget to celebrate success and adjust for any market conditions or issues that arise.

EXECUTIVE SUMMARY

The Executive Summary should be written last after the remainder of the plan has been finished. It is an overview (with a suggested length of no more than one page) of the business, including the problem the business aims to solve, why this business' solution is different, the business' ideal customer, and the expected results. The Executive Summary should provide a high-level and optimistic description of the company.

If the business requires outside investment or external investors, include how much is needed, how it will be used, and how it will make the business more profitable. Think of this section as the first thing a potential investor reads, thus, it must capture their interest quickly.

Suggested headings to organize this business plan include the following.

EXECUTIVE SUMMARY

The Company

[List the company's name, industry, location, and legal status (corporation, sole proprietorship, partnership, etc.)]

The Company's Mission & Vision

[Create a succinct explanation of the company's mission. Summarize your company's main goals and philosophy. Include information about your company's nature, business values, financial goals, and "corporate culture"]

Products & Services

[Briefly describe the nature of the product(s) and/or service(s) you offer in a few words]

Target Market

[Make a list of the markets you want to target and why you chose them. Indicate the findings of any market research or analysis]

Marketing and Sales Strategy

[Briefly describe how you plan to reach your target market(s), including advertising, direct mail, trade exhibitions, and other ways to secure sales]

The Competition

[Explain who your competitors are and how the market is currently divided]

Management

[Briefly discuss your management team's backgrounds and competencies, notably those of the company's founders]

Stage of Development

[Indicate whether your business is new or established, when it was founded, how far along the product or service development process it is, and whether you've already made sales or begun delivery]

Financials

[Estimate your company's revenue and profit over the first three years]

EXECUTIVE SUMMARY

Long-Term Goals

[Speculate on where you see your business in five years in terms of revenue, headcount, physical footprint, and market share]

Funding Sought and Exit Strategy

[If the new venture is seeking financing or funding, indicate the amount of funding you are seeking, the number of investors you anticipate, the intended use of the funds, and the method(s) by which lenders or investors will be paid back]

COMPANY OVERVIEW

[Provide details about your legal status, ownership, product(s) or service(s), company's mission, and achievements to date]

The Company's Mission & Vision

[In a few phrases, summarize your company's main goals and philosophy. Your company's nature, business principles, financial goals, 'corporate culture,' and how you expect to be seen in the marketplace should all be summarized in one statement]

Products &/or Services

[Identify and describe the nature of the product(s) or service(s) you offer. Be specific. Also, list any upcoming products or services your company is planning and when you expect to launch them]

Legal Issues

[Describe these areas in this section:

- Legal Form (Sole Proprietorship, Partnership, Subchapter S Corporation, C Corporation, LLC, No Legal Entity/Status, Other; describe)
- Ownership
 - If a sole proprietor or partnership, list the owners
 - If incorporated, how many shares of stock have been issued?
 - Who owns the stock and in what amounts?
 - In which state(s), province(s), country(s), etc. are you legally incorporated or registered to do business, list dates and specifics
 - Have you secured written agreements between/with: principals, partners, suppliers, investors, key employees/managers, customers?
 - List any of the following that you have secured: trademarks, copyrights, patents, domain names
 - List investments to date, including dates and terms
 - List loans or any other debts, including dates and terms
 - List equipment leases, purchase agreements, etc., including dates and terms
 - List any distribution or licensing agreements, including dates and terms]

Management / Leadership

[Include the names of the Board of Directors' chairperson, President, and/or CEO, as well as other key management personnel]

Business Location

[List your primary headquarters, main place of business (if different), and any branch offices.

Indicate the general location of your planned activity if you have not yet secured a location. Also, describe the geographic area in which your business operates]

Development Stage and Milestones Achieved to Date

[Describe where your company is in its development and how far it has progressed so far. Also describe any achievements you have (e.g., technology developed, raised seed funding, lined up strategic partnerships, etc.).

State the following:

- When your company was founded
- Your phase of development (e.g., a seed company, a startup, expansion, established, etc.)
- Indicate how far along your plans have progressed.]

INDUSTRY ANALYSIS

Industry Description

[Focus on describing your industry, along with discussing the trends and the strategic opportunities that exist in your industry]

Industry Trends

[Describe the size of your industry with particular attention to the rate at which your industry is growing. This should provide you some insight into the opportunities for your business]

Barriers to Entry

[Describe factors that can prevent or impede the introduction of your business into the industry sector. These can include high startup costs, regulatory hurdles, switching costs, access to distribution channels, or other obstacles that prevent new competitors from easily entering your business sector]

Long-Term Opportunities

[Describe the long-term outlook for the industry]

TARGET MARKET

Market Description

[Determine the market segment(s) you want to target. Your target market needs to be defined (have specific characteristics identifying what the potential customers have in common), be meaningful (the characteristics must meaningfully relate to the decision to purchase), be sizeable (should be large enough to be sustainably profitable) and be reachable (should lead to cost-effective and efficient methods of marketing to potential customers).

Include the following:

- **Demographic Description**

Whether you're marketing to consumers or businesses, describe the demographics of your target market

- Consumer: age range, income range, sex, occupation, marital status, family size, ethnic group, level of education, home ownership, other
- Business: Industries, sector, years in business, company revenues, number of employees, number of branches, square footage, company ownership, other

- **Geographic Description**

Describe the main geographic area(s) you plan to service (particular neighborhood, city, state, region, nation, or portion of the international market). Consider the area's density as well (urban, suburban, rural)

- **Lifestyle / Business-Style Description**

Demonstrate an understanding of your consumers' concerns and interests.

- Consumer: family stage, vacation choices, favorite websites, hobbies / sports / other form of entertainment, publication subscriptions, organizations/affiliations, political affiliation, type of car owned, other
- Business: business stage, employee relations, trade association membership, business products and services used, workforce type, community activities, management style, other

- **Purchasing Patterns Description**

Describe your target clients' likely purchasing habits, whether consumers or businesses (reason / occasion for first purchase, number of times they'll purchase, interval between

purchases, number of products/services purchased, motivation for continued use, where customer uses product, payment method, other)

- **Buying Sensitivities Description**

Describe the most important aspects to your customer while making a purchase decision (quality, service, convenience, price, etc.)]

Market Size and Trends

[Describe the size of your target market, as well as the trends that will likely influence market growth and customer behavior in the next years, such as: the rate of growth, market changes, changes in the customer's capacity to afford the product/service, the changes that are affecting the need for the product(s)/service(s).

Strategic Opportunities

[Briefly describe the need for your product/service offering and thus the opportunity this provides for your business]

COMPETITION

[Concentrate on identifying your primary competitors, the basis on which you compete, how you compare, prospective future competitors, and barriers to entry for new competitors]

Local Competitors

[List your local competitors here, along with a brief description of the product(s)/service(s) they offer]

Other Competition

[List your national &/or international competitors here, along with a brief description of the product(s)/service(s) they offer]

Advantages over Competition

[Outline your business's competitive position. You can do so by sharing a chart outlining your company's competitive analysis in bullet points or note it in an appendix.

You can also rank the strength of your competitors along with highlighting some of their strengths and weaknesses]

Barriers to Entry

[Briefly describe the level of difficulty for new competitors to enter the field. Include potential future competitors, current competitors likely to expand efforts, and current competitors potentially leaving the field]

Strategic Opportunities

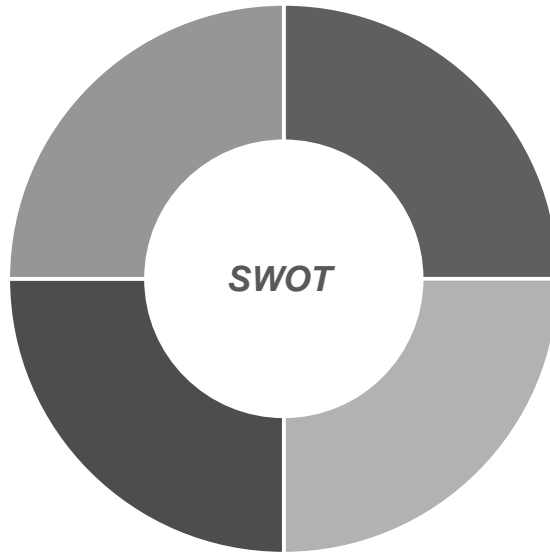
[Summarize your assessment of the market for your business (e.g., "*the market for XX services is highly dissatisfied at present as shown by a survey of XX*"), and how this represents an opportunity for your business to enter the market]

STRENGTHS

- Advantage
- Capabilities
- Assets, people
- Experience
- Financial reserves
- Value proposition
- Price, value, quality

OPPORTUNITIES

- Areas to improve
- New segments
- Industry trends
- New products
- New innovations
- Key partnership



WEAKNESSES

- Disadvantages
- Gap in capabilities
- Cash Flow
- Suppliers
- Experience
- Areas to improve
- Causes of lose sales

THREATS

- Economy movement
- Obstacles faced
- Competitor actions
- Political impacts
- Environmental effects
- Loss of key staff
- Market demand

SWOT Analysis

<u>STRENGTHS</u>	<u>WEAKNESSES</u>
<ul style="list-style-type: none">••	<ul style="list-style-type: none">••

OPPORTUNITIES

-
-

THREATS

-
-

STRATEGIC POSITION & RISK

[In this section, describe your company's strategic position (i.e., service &/or product offering), your company's objective, and how you will achieve this goal. The following should come together with your strategic position:

- Your strengths and interests
- Industry trends and developments
- Market changes and opportunities
- Competitive changes and opportunities
- Opportunities brought upon by new technologies]

Industry Trends

[Describe where the industry is trending toward, from a regional, national, &/or international aspect. You can reference sources such as an industry report or other relevant sources. These trends may relate to price, cost, consumer purchasing, marketing, manufacturing, sales methodology or a variety of other areas]

Target Market

[Describe the specific portion of the market you are targeting (geographic location, age, income, interests, family size, customer's specialized needs, etc.)]

Competitive Environment

[Briefly describe other regional, national, &/or international providers of the same service/product you offer, and what opportunity this presents to your target market.

Proceed with briefly noting your company's strengths relative to the competition. This can include things such as your operational &/or technological advantage, propriety products, sales channels, first mover advantage]

Risks

[Describe the risks associated with your business model. Areas to cover here could include the following:

- **Market Risk** (how your product(s) or service(s) will be received by the market)
- **Competitive Risk** (how will your competitor(s) respond to you entering the market)
- **Capitalization Risk** (your ability to get capital for the business)

- Execution Risk (how you will effectively manage the roll-out and growth of the company)
- Technology Risk

After pointing out these risks, you can include a “Risk Evaluation” table (such as the one below) that will specify these risks facing your company in each area, rate of the approximate extent of each risk, and steps you will take to lessen that risk:

Type of Risk	Risk Probability/Percentage	Steps to Reduce This Risk
Market Risk	High/Medium/Low (%)	<ul style="list-style-type: none"> • Insert bullet points (if preferred) •
Competitive Risk	High/Medium/Low (%)	<ul style="list-style-type: none"> • Insert bullet points (if preferred) •
Capitalization Risk	High/Medium/Low (%)	<ul style="list-style-type: none"> • Insert bullet points (if preferred) •
Execution Risk	High/Medium/Low (%)	<ul style="list-style-type: none"> • Insert bullet points (if preferred) •
Technology Risk	High/Medium/Low (%)	<ul style="list-style-type: none"> • Insert bullet points (if preferred) •

MARKETING PLAN & SALES STRATEGY

[In this section describe where you will be focusing your marketing efforts on, what your strategy will be, and who your main audience will be that you will be focusing your marketing efforts on. In summary, you will want to define the following:

- How you make your customers aware of your product(s) or service(s)
- The message you are trying to convey to your customers about your product(s) or service(s)
- The methods you will use to deliver your message
- How you attain actual sales]

Marketing Budget

[Outline how you intend to spend your marketing budget. You can do this by noting the marketing **vehicles** you choose, the **specifics** around each vehicle, the **frequency**, and the **cost per year** for each vehicle. Examples of marketing vehicles include the following:

- Company website
- Brochures, leaflets, flyers
- Print media (e.g., newspapers, magazines)
- Broadcast media (e.g., radio, cable TV)
- Online advertising (e.g., banners, adds, sponsorship on other websites)
- Direct mail (e.g., flyers, catalogues, brochures, coupons)
- Email mailings
- Public relations (e.g., news articles in the media)
- Sampling
- Informal marketing / networking (e.g., public speaking, attending conferences)

Sales Structure

[Describe the two main components of your sales system: the **sales force** and the **sales process**]

Sales Force

[Summarize the responsibilities of your sales team, what compensation, commissions, and incentives you provide them, how you train and supervise them, and the sales activities they will be involved with]

Sales Process

[Briefly describe how the actual sales will be achieved. Some methods could include on-site sales, mail order sales, telephone sales, online sales, off-site sales, third party sales.

Also consider evaluating other aspects of the sales process, such as cold-calling, leads productivity (amount of time it takes to secure sales), order-fulfillment, goals (specific, measurable objectives for each salesperson), follow-up efforts by the sales representatives]

OPERATIONS

[In this section describe how the business is run, including a description of the facilities, production, equipment, order fulfillment, inventory control, and other operational aspects of your company]

Facilities

[Describe the physical aspects of the facilities, such as:

- Principal location(s): location, square footage, description of use, parking/transportation, shipping access, warehouse facilities, etc.
- Branch offices / additional plants / distribution centers: number, locations, square footage, Description of use, etc.
- Lease(s): length of lease, rent/lease terms, restrictions, etc.
- Utilities / Maintenance: average monthly costs]

Production

[Describe the key factors involved in producing your product(s) or service(s). Here are areas that you can elaborate on:

Productivity

- Stages of production
- Mechanism by which the product/work moves from one stage to another
- Advantages of your production process
- Drawbacks of your production process
- Components that are outsourced to be produced by others, as well as the costs connected with them

Labor

- Number of employees, and their employment status (full-time, part-time, variable)
- Shifts of operation
- Basic qualification requirements of employees
- Supervisors of employees
- Labor costs

Capacity

- Volume of goods or services that can be produced over a given time
- Volume of goods or services that your employees can handle

Quality Control & Service

- Responsible person(s) for overall quality control
- Steps to inspect finished goods or services

Order / Service Fulfillment

[Describe your company's order fulfillment process and customer service practices. This can include the following items:

- Who processes orders?
- How are orders communicated from the salesperson to the order fulfillment department?
- How are orders checked for accuracy?
- How do you ship orders? And the cost of shipping?
- Maintenance or repair program, along with the cost of it
- Do you have a customer service department?

Research and Development

[Briefly describe your research and development activities, including ongoing product/services development, and other pertinent things, such as which staff members have this responsibility, along with the amount of time they spend on it, the equipment needed, the publications needed]

Equipment & Furniture

[List currently owned equipment & furniture and anticipated equipment & furniture to be purchased. Include the purchase date, cost, terms, and payments]

Inventory Control

[Briefly describe the methods of inventory management within your company]

Financial Control

[Examine and describe your company's financial control procedures, such as who is in charge of designing financial control procedures, who is responsible for invoicing, accounts payable, and your company's policy on paying overdue invoices]

TECHNOLOGY PLAN

[Summarize your company's primary technology requirements and concerns. You can do this in a separate *Technology* section, or in the *Operations* section of your business plan.

Areas to potentially summarize include your software needs, hardware needs, telecommunication needs, and personnel needs (which can be in-house or outsourced)]

Technology Budget

[Determine the costs of your technology needs and specify them here. This can be done in a worksheet if you prefer, such as the following one:

	Year 1	Year 2	Year 3	Year 4	Year 5
Software					
Accounting					
Customer relationship mgmt.					
HR mgmt..					
Inventory mgmt..					
Custom Software					
Other					
Hardware					
Desktop computers					
Portable computers					
Servers					
Backup systems					
Printers					
Networking					
Other					
Telecom					

Telephone system					
Mobile phones					
Fax machines					
Internet access					
Other					
Consulting Personnel					
System design / maintenance					
Tech support					
Other					

MANAGEMENT & ORG STRUCTURE

Management Team

[In this section talk about who is on the management team and why they are on the team. Summarize their backgrounds in a brief and objective format. Below are some key areas to cover]

Key Employees

[Describe the attributes of your top managers by summarizing their *experience, successes, education, strengths, and opportunities*. Here are examples of possible relevant roles to include:

President/CEO, Chief Operating Officer, Chief Financial Officer, Marketing/Sales Director, Production Manager, Human Resource Director, Chief Technology Officer, Other Key Personnel]

Management Compensation and Incentives

[Describe the compensation package for each one of your key employees, such as Salary, Bonuses, and Other Incentives]

Advisory Committee & Board of Directors

[List the members of your Board of Directors and Advisory Committee (if you have one), as well as their financial and professional interests in the company. Include the frequency with which they meet and their responsibilities]

COMMUNITY IMPACT

[This section is optional. You do not need to have it on your business plan. If you choose to include this section, describe the attributes of your social responsibility plan, such as:

- Corporate Citizenship
- Ethics
- Social Responsibility Activities/Projects
- Company Philosophy
- Community Involvement

Here is an example of a company philosophy for a healthcare related service:

The following company philosophy reflects our goal of being a good corporate citizen:

- *We will always take responsibility of our own successes and failures, as a company and as individuals.*
- *We will commit to honesty, timeliness, and clarity when communicating to each other.*
- *We will always consider the impact our decisions have on others.*
- *We will celebrate our successes and continually learn from our failures.*
- *We will always serve our patients by providing quality, proficient and compassionate care.*
- *We will explore creative partnerships in a collaborative manner with healthcare providers and all stakeholders involved in our efforts to continually advance our practice.*
- *We will strive for excellence in all what we do.*

DEVELOPMENT PLAN & EXIT STRATEGY

[In this section of your business plan, talk about where you are currently and what your milestones are. You get funded for milestones, so be very thoughtful about them. In summary, describe your *goals, milestones, risks, and exit plan*]

Long-Term Goals

[Describe your plan for your company to grow over the next 5 to 10 years. Include your own personal goals, which should reasonably relate to your company's goals.

What is your company's vision for the next decade? And what's your business strategy to attain that? Summarize this information over different timelines/milestones (e.g., One Year Goal, Five Year Goal, Ten Year Goal). This can be done in a table format]

Strategy for Achieving Goals

[Describe the business strategy (or strategies) along with the specific priorities/actions that you will undertake to implement those strategies]

Milestone Achieved To-Date & Future Milestones

[List the particular goals you've met thus far, as well as when you accomplished them. Here are some examples: when you incorporated, when the lease was signed, when key employees were hired, when initial financing was secured, when the product design was completed, when trademark / patents were secured, etc. The same questions can be answered for future objectives if you have not achieved them yet]

Exit Plan

[Here you will want to describe the exit plan for your investors. These are examples of some exit strategies to consider: go public, acquisition, sale, merger, buy-out, franchise, hand down (give company to next generation), close (end operation)]

FINANCIAL PROFORMA

[In this section, list your financial projections for three to five years in the future (or recent historical records if your business is currently operating). The three most important forms to prepare are the following:

1. **Income Statements (a.k.a. Profit & Loss (P & L) Statement):** Shows the profitability of your company.
2. **Cash Flow:** Indicates whether your business has enough cash to fulfill its bills.
3. **Balance Sheet:** Shows how much your company is worth.

For each of these forms, show your first year’s monthly projections, years two’s & three’s quarterly projections, years four’s & five’s annual projections. If your business is an existing business, show your Income Statements and Balance Sheets for the last two to three years]

PERSONNEL ASSUMPTIONS	
Approximately how much do you expect to spend per year on benefits for each employee (health benefits, retirement benefits, etc.)?	\$XX
With the rising cost of health insurance and other benefits, your plan should account for annual increases. How much do you estimate your benefit costs will increase each year?	XX%
How much do you expect to increase salaries on an annual basis if you plan to do so?	XX%
Approximately what percentage of each employee's salary or wages do you plan to set aside for payroll taxes?	XX%
FINANCIAL ASSUMPTIONS	

Total Cash Receipts													
CASH DISBURSEMENTS													
Expenses													
Cost of goods													
Operating expenses													
Commissions/returns & allowances													
Loan payments													
Income tax payments													
Other expenses / equipment purchase													
Reserve													
Total Cash Disbursements													
NET CASH FLOW													
Opening cash balance													
Cash receipts													
Cash disbursements													
ENDING CASH BALANCE													

Capital Purchases

Facilities

[Where will you be providing your service(s) or selling your product(s)? Will there be a facility to purchase?]

Equipment

[What are the key pieces of equipment needed for your operation?]

Computer Hardware/Software

[What software / hardware will you need for your operation?]

Telecommunications

[Cell phone, Wi-Fi, Mobile Hot Spot]

Land

[Will there be any purchases of land?]

Credit card fees

[What is the average interchange fee?]

Other supplies

ITEM	RATE / COST
XX	\$XX
XX	\$XX
XX	\$XX
XX	\$XX
XX	\$XX
XX	\$XX
TOTAL	\$XX

Staffing Budget

[Describe the labor costs associated with your business. What's the number of employees needed and the timing of when you will need them? What will be the benefits that you will need to attract and retain qualified staff? And what are the mandatory taxes with your local and national labor laws?]

Marketing Budget

[List any expenses associated with your marketing strategy, such as website design and development, travel expenses to professional conferences/trade shows/meetings, supplies for marketing material, membership fees to professional associations, etc.]

Professional Services

[List the expenses associated with any professional services you retain, such as attorney fees, marketing fees, liability insurance, etc. You can do this in a table format, such as the one below:

Here is the breakdown of professional service fees over the 1st five years:

Professional Services	2023	2024	2025	2026	2027
General					
Attorneys	\$XX	\$XX	\$XX	\$XX	\$XX
Accountants	\$XX	\$XX	\$XX	\$XX	\$XX
Management consultants	\$XX	\$XX	\$XX	\$XX	\$XX
Industry specialists	\$XX	\$XX	\$XX	\$XX	\$XX
Technology consultants	\$XX	\$XX	\$XX	\$XX	\$XX
Other (Assurance System)	\$XX	\$XX	\$XX	\$XX	\$XX
Total Costs	\$XX	\$XX	\$XX	\$XX	\$XX

APPENDIX

[It is not necessary to include an appendix. Only include it if the extra material is intriguing or useful as a reference. If you choose to include an appendix, it is where you give more details about certain aspects covered in the plan.

The material in this section should complement the information in the plan. Do not include unrelated information here. Also, keep it short because it is used to offer information that is too long to include within the business plan]

