

The Business Plan Putting It All Together

Business Plan Guide

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Title Page

A professional title page should include the business name, address, phone number, the name of the person who prepared it the plan, and the date.

Table of Content

Numbering the page sections allows readers to locate the information quickly & easily

Executive Summary

A one page summary that highlights the essential details of your business plan. Includes a brief description of the ownership and management, products and services you offer, financial objectives including projected annual sales and net income, marketing strategy and competitive advantage, major initiatives accomplishments, goals and the amount of money your expect to borrow and why? If it's a new business state why you are starting the business and how much you are investing into the business.

TIP - the Executive Summary is an introduction to your business. Even though it appears at the beginning of your business plan it is usually prepared after you have completed the business plan.

Business Profile

Description of the company, number of years in business, structure of the ownership, background of principals and management, key partnerships, associates and advisors.

Market Analysis

After researching your industry, the products and the trends you should be able describe and explain the markets in which you intend to operate in terms of area, size, customers, and competition. Identify your niche and opportunities in the market and how you will take advantage of and deal with the challenges.

Customers

Can you define your customers by age or gender or it's a business by size or location. Other considerations are buying habits, lifestyles and determining the products and services they really want. Knowing the features and benefits of your products or services will help you to get and keep customers?

Competition

Prepare a competitive analysis of the primary competition. Estimate their sales, strengths and weaknesses. Determine the scope of the market and how much of the market can you realistically capture. Describe your competitive advantage.

Costs and Pricing

Explain your positioning in the market in terms of costs and pricing. Will the products or service be competitively priced, high end, moderate or low prices? Is your gross profit within industry standards?

Identify your suppliers and their terms. Explain how you will deliver or distribute your product or service. It may simply be phone calls working out of your home or shipping internationally.

Marketing and Promotion

Develop a marketing strategy and budget. Explain your methods of reaching your target customers. Prepare a budget and itinerary for the costs of printed materials, signs, newspaper and magazine, trade shows, fairs, billboards, sponsorships, advertising or radio and television. You may want to plan for low cost methods of promotions such as networking, joining associations, service clubs or public speaking.

Operations and Management

Describe the number of employees; highlight the skills and qualifications of the management and operational team. Identify contractual agreements and list all licenses, regulations and insurance that may apply to your business. Identify the strengths and weaknesses of the company at this time.

Financial Plan

Provide an overview of the financial management systems, assets and liabilities. Itemize your current indebtedness and the assets pledged. If you intended to borrow, how much do you need and what will the money be used for? What assets can be pledged to secure the debt including your personal contributions? How will you repay the debt and how long will it take to do so?

Projected Cashflow

The cash flow forecast projects the money flowing in and out of the business. Cash flow allows you to estimate your sales receipts and expenditures over one or more years.

Predicting sales will be based on research, customer demand, and level of competition and production capacity. Predicting cash flowing in will be based on your collection policy i.e.: do all customers pay COD or do some pay in 30 to 60 days. Other considerations might be payment terms with your suppliers and seasonal fluctuations in revenues.

Personal Financial Statements

Personal net worth statements prepared individually by you and your partners or guarantors. Show the personal and/or joint assets and liabilities. Also states annual income and annual expenditures.

Resumes

The applicant(s) should attach a resume. A lender or investor will have more confidence in the business knowing you have the experience and skills to operate and manage the business.

Appendices

These are documents that support the claims you made in your business plan. These may include market research, surveys, letters from potential customers and suppliers, appraisals, asset valuation, product literature, catalogues, examples of advertising, picture of the location, a floor plan, equipment quotes, major contracts etc.

Financial Statements

If you have been in business for some time you should provide year end financial statements for at least 3 years, preferably prepared by a Licensed Accountant. Include up to date current financial statements. If you are a sole proprietor you should provide your prior years' Income Tax filing statement.

Income Statement or the Profit and Loss Statement provides the reader with a statement of the sales (revenues) and expenses. The difference between revenue and expenses is the Net Income or Loss.

Balance Sheet is a snapshot of what the company both owns (assets) and owes (liabilities) at a given point in time. The difference between the assets and liabilities represents the owner's equity.

List of Aged Accounts Receivables a listing of customers' base and their payment activities in terms of current, 30 days, 60 days, 120 day and more. Provides the reader with a picture of the company's collections activities, customers buying habits and vulnerabilities.

List of Aged Accounts Payables a listing of your company's debts to vendors in terms of current, 30, 60, 90 days and more. Government taxes: PST, GST, WCB, Source Deductions and Income Tax should also be listed. This will provides the reader with a picture of the company's spending habits and supplier base.

Product Literature

Attach additional information about your company, literature, location, major contracts, asset valuations, etc.