

BUSINESS PLAN

Client Name _____

Business Name _____

Date Completed _____

Interactive Business Plan Site – <http://www.cbsc.org/ibp>

Revised Nov/03 – Reviewed June 2005 ¹

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PLEASE READ FIRST

Guidelines for Completion

1. Complete your industry/market analysis first. Remember if you have no market you have no business.
2. Complete Business Description and Product/Services section. (Sections 2 & 3).
3. Complete sections 5, 6 and 7.
4. Complete the Business Plan summary LAST. This is a summary of what you have done already. (Section 1).

SECTION 1 – BUSINESS PLAN SUMMARY

This section, to be written after your plan is completed, is a short summary of your overall business plan, highlighting the key points in your plan. It is primarily used to provide the reader with a quick overview of your business and should be descriptive and interesting enough to motivate the reader to review the whole plan.

The summary should include a brief description of the following areas of your plan:

1. Business Description

Briefly describe your business and highlight the key features of your products and services.

2. Ownership and Management

Briefly describe the ownership and key management team of your business.

3. Key Objectives

Outline the key objectives and initiatives that are outlined in your business plan.

4. Marketing Opportunities

Provide an overview of the marketing opportunities for your business.

5. Competitive Advantages

Outline your business' main competitive advantages.

6. Marketing Strategy

Briefly describe the key components of your marketing strategy/plan.

7. Financial Summary

Summarise your financial plan and include projected revenues, expenses, net income and key ratios.

SECTION 2 – BUSINESS DESCRIPTION

The purpose of this section is to provide basic information about your business. In this section you will provide details about the following:

1. Legal Business Name and Location

Provide the legal name, address and telephone numbers for your business.

Business Name			
Street Address	City	Province	Postal Code
Business Telephone	Fax Telephone	Other	

2. Legal Ownership

Is your business a sole proprietorship, partnership or corporation? Who are the principle owners and what are their roles in the business.

Proprietorship	Partnership	Corporation
Owners Name		Business Role/Function

|

3. **Business History**

If this is an existing business, briefly describe when and by whom the business was started and outline any significant changes that have taken place over time. If this is a new business, explain some of your major reasons for wanting to start this business.

4. **Business Vision and Mission**

In **Vision** you should state what you would want your business to become in the “long term”. How do you see your business 5 years from now?

In **Mission** you should state your basic business philosophy or values in terms of how you intend to conduct your business.

5. **Goals**

State what your specific long-term goals are for your business. These goals if achieved must move you towards achieving the Vision stated in #4 and should be stated as end results. For example, achieve breakeven profitability within 2 years; capture 30% of the market by the year 2000.

6. Objectives

Objectives are specific achievements which must take place if you are to reach the goals stated in #5 and are usually much more short term than are Goals. Each objective must be specific in terms of time frame, \$ amount, % amount, etc. List only the most important objectives. For example; obtain 6 contracts by December 1998; average 18 clients per month by year-end.

SECTION 3 – PRODUCTS/SERVICES

The purpose of this section is to outline the products and services, which are now or will be provided by your business. In this section, you will provide details about the following:

1. Description of Products/Services

Briefly describe each of the products and/or services that your business will be selling.

#	Product/Service	Description
1		
2		
3		
4		

2. Key Features of Products/Services

For each of your products/services, describe why potential customers will buy your product/service instead of someone else's. Include an explanation as to what makes your product/service different or unique in the marketplace and how it will differ from those of your competitors.

#	Product	Features
1		
2		
3		
4		

3. Means of Production

For each of your products/services, describe how you will produce them. Include an explanation of the process involved in the production and highlight the resources used, both human resources and materials. Also include an outline of where your raw materials will be sourced and who your key suppliers will be.

4. Future Products/Services

Outline any plans you have for updating existing products/services or to offer new products/services in the next one to five years and describe these new products.

SECTION 4 – INDUSTRY/MARKET ANALYSIS

This section provides you with the opportunity to describe the industry and market within which your business will operate. You will need to provide details on the following:

1. Your Market Research

Outline the research you undertook to convince yourself of the viability of your business idea and to understand the Industry within which your business will operate. For example, did you survey current and potential clients, review research reports and statistics, read related articles, speak to people knowledgeable about the industry, perform telephone surveys, etc.?

2. Size of The Industry

Industry size can be defined in many ways, including sales, number of producers, number of companies, etc. How big is the industry your business will operate in? In particular, highlight the size of the industry in your business' market area. Also include any information you have on how fast the industry is growing and the key trends in your industry, particularly any that could have the largest impact on your business.

3. Industry Participants

Describe the type of business that compete within your industry in your market area and include where they are located, their products/services, how large they are and how they distribute their products.

4. Key Market Segments

Within every Industry there are several market segments (identified by having similar characteristics) to which your industry sells its products and services. Divide your market into similar customer groupings and highlight the size and characteristics of each group. For example, depending upon your business, senior citizens or wholesalers or retail outlets, may be a market segment, which purchase your industries products and services.

5. Purchase Process and Buying Criteria

It is critical you know how and why customers purchase products/services like yours. Outline how important price, quality, service support, location, etc. are important in your potential customers buying decisions. Also highlight any differences from market segment to market segment.

SECTION 5 – MARKETING STRATEGY

Now that you understand and have outlined the industry/market within which your business will operate, you now need to develop a marketing strategy or plan for selling your products/services to customers within those markets. You will need to provide details on the following:

1. Target Markets

In the last section you described the key market segments within your industry. Market segments can be defined by both the type of customer and by geographic region. Which customer groups or market segments will your business specifically target? Outline the characteristics of the typical customer to whom you will be attempting to sell your products/services. For example, likes animals, has an average income of \$35,000, lives in the neighbourhood, drive a car, etc.

2. Description of Key Competitors

List your key competitors and provide a brief description of their businesses in terms of location, products and services, marketing strategy and their market position (largest, #1, etc.)

Competitors	Description

3. Analysis of Competitive Position

Compare your business to your competitors. Outline the ways in which you will have and advantage over your competitors and the ways in which you will have a disadvantage. For each disadvantage, describe the actions you will take to overcome the disadvantage.

4. Pricing Strategy

Outline how you will price your products/services, and how they will compare to your competitors.

5. Promotion Strategy

Describe how you will make your target customers aware of your business and your products and services. Outline the types of activities you will undertake such as media advertising, trade shows, direct mail, sales calls and any other means you will use to reach your target market.

6. Distribution Strategy

Outline how you will distribute your products and services to your target market. Describe where your customers will be able to buy your product, how you will sell it to

them in terms of through a sales force, outlets, storefront, etc. and how you will provide customer service/support.

SECTION 6 – MANAGEMENT AND STAFFING

In this section you will outline the structure of your business, and the experience and expertise of the individuals involved in your business.

1. Management Structure

Describe the management structure of your business in terms of the key positions within the business and their reporting relationships. Discuss how many individuals are or will be employed in the business now and over the next three years.

2. Management Team

List the key people on your management team and provide a brief description of their function and experience. Include such key outside support as lawyers, accountants, family members, etc., who may not be directly employed in the business but do provide support to the business on a regular bases. Attach resumes for each key individual.

Name	Role	Background

3. Management Team Strengths/Weaknesses

List the major strengths and weaknesses of your management team and describe how these weaknesses will be dealt with.

Strengths	
Weaknesses	
Required Actions	

4. Staffing Issues

Outline how you will fill the non-management positions in your business, highlight the qualifications required, the wage rates and benefits you will pay and training provided. Also outline any factors that could affect your ability to find, hire and keep qualified employees.

SECTION 7 – REGULATORY ISSUES AND RISKS

All businesses are affected by regulatory and risk issues. In this section you will outline any Patents; Copyrights; Trademarks; Licenses; Permit requirements; or other regulatory issues affecting your business. You will also need to identify and describe any risks that could affect the success of your business as well as outline how you would overcome them.

1. Property Protection

If any of your products, services or processes are or will be protected by patents, copyrights or trademarks, describe what is covered.

2. Regulatory Issues

Describe the regulatory issues that will affect your business. For example, are you in a regulated industry; does your business require licenses and permits; what steps are you taking to address these issues?

3. Market Risks

Describe any events that could affect your customers' need or demand for your products/services, outlining how likely it is these events will occur and what steps you will take to limit their impact should they occur.

4. Other Risks

Outline any other risks that could affect the success of your business and how you will overcome them.

SECTION 8 – PROJECTED CASHFLOW

The Projected Cash Flow Statement Financial Plan is one of the most important sections of the Business Plan. It reflects the financial results of your planned activities (marketing, sales, etc.), identifies the financing needs, shows the monthly financial potential of your business and basically quantifies, in dollar terms, the viability of your business idea for at least the next year. The Financial Plan also helps demonstrate just how much you really understand the business you are in as well as providing you with a tool against which you can monitor your actual business success.

In this section you will complete the following:

1. Projected Monthly Cash Flow Statement, Description and Notes.

Compares how much cash will be coming in versus how much you will be spending for the first twelve months of your business or for the fiscal year. Complete the detailed cash flow statement attached to this Business Plan, transcribe the summary information to this statement and write a narrative that highlights the key items.

Cash Flow Items	Year 20__
Opening Cash Balance	

Cash Inflows	
• Cash Receipts	
• Other Sources of Cash	
Total Cash Inflows	

Cash Outflows	
• Fixed Costs	
• Cost of Sales	
• Sales and Marketing	
• Operating Costs	
• Property and Utilities	
• Banking and Other	
• Miscellaneous	
• Taxes Paid	

APPENDIX – PROJECTED CASH FLOW NOTES

Note 1 – Sales By Month

Record projected sales for each product for each month.

Year 1	Product 1	Product 2	Product 3	Product 4	Total
Mth 1					
Mth 2					
Mth 3					
Mth 4					
Mth 5					
Mth 6					
Mth 7					
Mth 8					
Mth 9					
Mth 10					
Mth 11					
Mth 12					
Total					

Note 2. Sales Collection Rate

Estimate the percentage of revenue that will be collected from sales each month

	30 Days	60 Days	90 days	
% Collected				100%

Note 3. Adjusted Revenue

- Based on the total % of sales collected rate, calculate the amount of revenue to be actually collected each month and carry forward the adjusted revenue to the Detailed Cash Flow Statement attached.

Year 1	Projected Revenue	% Collected	Adjusted Revenue	Accounts Receivable
Mth 1				
Mth 2				
Mth 3				
Mth 4				
Mth 5				
Mth 6				
Mth 7				

Mth 8				
Mth 9				
Mth 10				
Mth 11				
Mth 12				
Total				