

DEVELOPING THE BUSINESS PLAN OUTLINE

1.0 Executive Summary

This section should:

- Be written last.
- Provide an enthusiastic snapshot of your company, explaining who you are, what you do and why.
- Be less than 2 pages in length.

After reviewing this section the reader should:

- Want to learn more about your business.
- Have a basic understanding about your company.

2.0 Business Description and Vision

This section should include:

- Mission statement (business purpose).
- Company vision (statement about company growth).
- Business goals and objectives.
- Brief history of the business.
- List of key company principals.

After reviewing this section the reader should know:

- Who the business is and what it stands for.
- Your perception of the company's growth & potential.
- Specific goals and objectives of the business.
- Background information about the company.
 - **Business Objectives**
 - What will be the objective of your business? For example if you are starting a restaurant, what will be the main reason people will come to you. The best wings, great food at a good price, a place where I can bring my family.

3.0 Definition of the Market

This section should:

- Describe your business industry and outlook.
- Define the critical needs of your perceived or existing market.
- Identify your target market.
- Provide a general profile
of your targeted clients.
- Describe what share of the market you currently have and/or anticipate.

After reviewing this section the reader should know:

- Basic information about the industry you operate in and the customer needs you are fulfilling.
- The scope and share of your business market, as well as who your target customers are.

4.0 Description of Products and Services

This section should:

- Specifically describe all of your products and services.
- Explain how your products and services are competitive.
- If applicable, reference a picture or brochure of your products, which would be included in the plan's appendix.

After reviewing this section the reader should know:

- Why you are in business.
- What your products and services are and how much they sell for.
- How and why your products & services are competitive.

5.0 Organization and Management

This section should:

- Provide a description of how your company is organized as well as an organization chart, if available.
- Describe the legal structure of your business (proprietorship, partnership, corporation, etc.).
- Identify necessary or special licenses and/or permits your business operates with.
- Provide a brief bio description of key managers within the company.

After reviewing this section the reader should know:

- The legal form of ownership for your business.
- Who the leaders are in your business as well as their roles.
- The general flow of operations within the firm.

Organizational Structure

- What type of legal business structure do you plan on using? A Sole-proprietorship, an LLC or a corporation.
- Is it going to be a retail business where people come to you to buy your product or service (i.e. store, restaurant, cleaners, etc) or will you take your product or service to the customer? (Lawn care, handyman, house painter, etc.).

Management Team

- Why can you be successful in this particular business?
- What is your or your key person's background and experience in this area of business?
- Using the home painting business as an example, maybe you have been working painting homes for other companies for 15 years and you learned from your grandfather who has been doing it all of his life.
- Who will do the bookkeeping, ordering of supplies, and invoicing.
- This might be you, but you will need to show that you are aware that this is important and someone will be doing it.

6.0 Marketing and Sales Strategy

This section should:

- Identify and describe your market – who your customers are and what the demand is for your products & services.
- Describe your channels of distribution.
- Explain your sales strategy, specific to pricing, promotion, products and place (4Ps).

After reviewing this section the reader should know:

- Who your market is and how you will reach it.
- How your company will apply pricing, promotion, product diversification and channel distribution to sell your products and services competitively.

Marketing Plan

- How will you market your business?
- The internet, local newspapers, flyers, coupons, etc.
- How will you get the message out?
- You might attend neighborhood meetings to announce your company.
- If you are a restaurant you might even supply the food for a neighborhood meeting.

The Competition

- You will need to do research for similar companies in your area that area.
- This will also help you create differences in how you will sell your product.
- A simple internet search will give you loads of information. For example, you want to start a take -out wings restaurant.
- Use Google or another search engine and search for “take-out wings in 30303(your zip code)”.
- There should be a number of returns on this search term. If not change it until you get what you want.

The Customer

- Using Google again just enter the zip code for the area you want to service and you will find a report in the return hits that contains the demographic information for this area.
- There will be different reports. Find the one that has the information you need to support your idea.

- Using the Take-out Wings restaurant, you might find that there is a college, sports stadium, or park in the area. You might also find that there are a lot of young people that live in the area and we know who eats a lot of wings....

7.0 Financial Management

This section should include:

For a New Business

- Estimate of start-up costs.
- Projected balance sheet (1 year forward).
- Projected income statement (1 year forward).
- Projected cash flow statement (12 months forward).

For an Existing Business

- Balance sheets (last 3 years).
- Income statements (last 3 years).
- Cash flow statement (12 months).
- If Applying for a Loan (in addition to the above)
- Current personal financial statement on each principal.
- Federal tax return for prior year.

After reviewing this section the reader should:

- Have a good understanding regarding the financial capacity and/or projections for your company.
- Financial Plan
- What will it cost to start and run your business for at least the next two years.
- There will be fixed cost or cost that will pretty much stay the same (i.e. rent, utilities, equipment, insurance, etc).
- There also will be variable cost that will change as your business changes.
- For example if you are starting a home painting business you might create a cost sheet for how much it will cost to paint a average 3 bedroom house. (I.e. paint, labor, supplies).