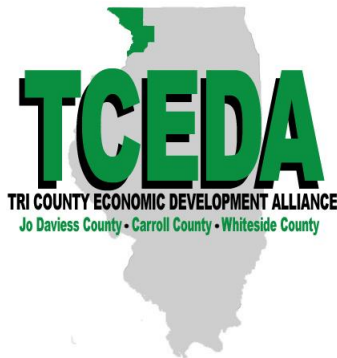
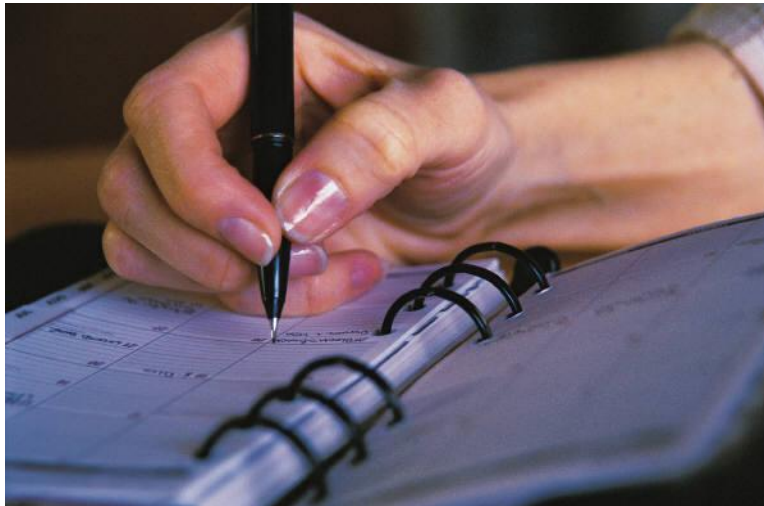


# **Business Plan Template**

**Telling the story of your business**



*Business focus: Retention driven*

# Business Plan Template

## Introduction

The big day is here! You are about to begin the writing of your business plan, the telling of your story. Before you get started review what should have taken place by this point:

- You researched your business concept
- You worked in the industry of the business you have or are about to open
- You have completed a feasibility study and are comfortable with the results
- You have put aside the appropriate time to work on this business plan
- You have a resource that you can talk to and refer to as you begin the process

If you are missing any of these steps, please complete them before you undertake your business plan. Refer to our “Business Tool Kit” for details on how to complete the above tasks.

The writing of a business plan is not an easy task, as you will find. However, this plan is a living document that will help you operate your business every day. It may also be used for obtaining financing. The document has to be so well written that if anything would happen to you, the plan and the business could continue operate as if you were there. The business plan is written in third person or formal stance. It is also written in a narrative format. You are telling the story of your business. How it will live, breath, and function, all while making a profit for the stakeholders.

## First step

While you are preparing to write the business plan understand that it will take a while to complete. How long depends on how much time you devote to it. Spending five minutes versus five hours is a big difference. Be sure that you allow adequate time to prepare and complete the business plan. Place the time in your calendar so that your business plan gets the necessary attention that it needs.

Preparing a location or space for the plan is as important as dedicated time. When you sit down to write your business plan, be sure that this space is ready for you. Here is how:

- Prepare the area
- Free it from distractions
- Have the appropriate supplies (paper, pens, computer, ink jets, etc.)
- Open your mind to the experience

This is the exciting time of your business! You are about to put on paper your story. If your business is important to you, this process will be important to your business.

## What is in the plan?

The plan will have different components (sections). Just like a book, these components are chapters. They need to be complete and tell all the details of your business. The business plan is written in third person or formal stance. It is also written in a narrative format.

The layout of this template on the following pages gives you the component topic and bullet points of the items that should be described in that section. Be complete and detailed, just like a story in a book. The template is also the layout order of the completed business plan.

#### Final points before you get started

- Check all paragraph alignment
- Number all pages
- Make sure all references to pages are checked for accuracy
- Make sure references are in appendix
- Spell all numbers under 10 out and then put into parenthesis. Example: We will employ two (2) full time staff...
- Check spelling, proper use of capitalization, and punctuation
- Make outline headings bold and slightly larger than regular type to have them stand out and draw the readers' attention
- Headlines need all same size, type, and style
- Concise paragraphs, none too choppy
- The business plan is written in third person or formal stance
- The business plan is written in a narrative format
- Watch carefully the opinion of writer versus facts. Financial institutions can't rely on opinion – facts only

Remember the support system that you set up to mentor and help you with your business? Now is the time to call upon you support system. Have them ready to answer questions, seek resources, and give you encouragement as you begin the business plan writing.

## Business Plan Template Layout

### General Information

- Font to use: Times New Roman 12 points
- Black font
- Double spacing
- Use charts and graphs only when emphasizing points of interest
- Page numbers on all pages
- The business plan covers five (5) years

### Cover page

- Logo
- Vision statement or marketing tag line
- Company name
- Contact information

### Table of Contents

- Style choice is yours
- Be careful to re-check page numbers in references

### Executive Summary (written at the end with the conclusion)

- Brief history or business concept
- Brief description of products and/or services
- Brief market info
- Brief on how product/service is made/performed
- Management of team & experience
- Summary of financial projects (if seeking outside funding)
- If seeking financing, how the money will be spent
- Owner's equity-Amount & form
- Mission Statement

### Our Company and Industry

- Your business, including description of products and/or services
- Background of business, including legal structure
  - Businesses history from start
  - Your purchase or entrance into the business
- Brief discussion of the industry
- Your views and status of the industry
- Describe main competitors and how they perform
  - Growth pattern
  - Sales
  - Profit margin
  - Brief market share they hold (more on this in market analysis)
- Analysis of the effect of the economy, society, technology or regulatory trends in the industry

## Product or Service

- Description of product or service in detail
  - Very detailed
  - Include packaging details
  - Include any studies and photographs
- Research and development – if applicable
  - How are you bringing the product/service to market
  - What extent of the research was done
  - What focus methods and market testing did you do
  - What on-going programs for research and development will be in place
- Proprietary features –copyrights, patents etc.
- Future developments
  - Natural progress of development of product/services
  - Look at diversification of organization

## Market Analysis

- Market Definition
  - Why are you choosing this defined market
  - How do you know this is the complete market
  - Is there a need for your product/service
  - What does the typical customer “look” like
  - What process does the typical customer use to determine desire to buy your product/services
  - What sources did you use to find out this information (use this source for strategic planning)
- Market size
  - What is realistic of you to manage
  - What is realistic of you to manage as you add staff
  - What is the geographical area that you will be covering
  - What is the demographic information covering this area
- Market trends
  - Per State of the Industry report
  - Per trade associations
  - What are the growth trends for the next five (5) to ten (10) years
  - How will you manage your business growth in this market
  - What are the local market trends doing
  - How long have they been doing it this way
  - What sources did you use to find out this information (use for strategic planning)
- Competition –Note name, strength, weakness
  - List all that are in your chosen market size
  - Name and identify at least the top five (5)
  - Perform a S.W.O.T. analysis on the top five (5) competitions
- Barrier to entry in this industry
  - What are the potential problems of entry into this industry at this time
  - What sources did you use to find out this information (use for strategic planning)

## Marketing Strategy

- Estimate sales and market share
  - What is the market share of each of your competitors
  - Why do they have this share
  - What is the share of the market you will capture
  - What sources did you use to find out this information (use this source for strategic planning)
- Market strategy-how you will fill niche
  - What is going to make you different than your competition
  - Why will your customers change their loyalty to you
  - How will you do this
- Positioning-Position of your product or service
  - What will the statement be that distinctively defines your product or service in the market and over the competition at the beginning and the future
  - What will the statement be to your customers that will summarize the benefits of your product or service to them
- Pricing structure & margin
  - What is the pricing structure normally used in your industry
  - What is your breakeven point
  - Do you know all the hidden costs in your overhead
  - What sources did you use to find out this information (use this source for strategic planning)
- Sales and distribution
  - How are you getting the product/service to your customer
  - What is your transportation plan
  - What is the alternative transportation plan
  - What sales processes will you use to attract customers
  - What sales materials do you have
  - What is the presentation material
  - What is your commission program for sales staff
  - What geographic territories will sales staff have
  - What is the process and measures for making sales calls
  - What sources did you use to find out this information (use this source for strategic planning)
- Service and warranty
  - How will you guarantee satisfaction
  - What methods need to be in place to safeguard against fraud
  - What is the policy for repair/replacement of product
  - What is your method to return repair/replaced products to customer
  - How will you deliver the written policy to the customer

## Marketing Strategy (continued)

- Promotion
  - What is your customer service program
  - What will the program be to generate awareness
  - What trade shows will you attend
  - What trade shows will you participate or lead
  - Describe all advertising methods
  - What is the public relations program
  - Logo
  - Branding program
- Launch Strategies
  - How will you open your business or launch your new product
  - Promotional budget for launch
- Communication Strategies
  - How will you get your message to your customers
  - Who are your customers (demographics)
  - Who is responsible for the communication
  - What are the policies for these strategies (this also goes in the Standard Operating Procedures)
- Public Relations
  - PR strategies and how they will work
  - Continued PR program and its operations

## Operations

- Location
  - Why this location at this time
  - Will this location support your growth for at least the next five (5) years
  - What are the advantages to being here
  - What are the disadvantages to being here
  - Hours of operations
  - Will this space be serviceable for vendors and transportation concerns
  - Does zoning meet your needs (if zone needs changing plan for a 1-3 year process for change)
  - What are the actual cost for this location, including utilities and parking
  - Is there enough parking for staff, guests, customers, and visitors
  - Is the location safe for staff and customers, including night time access
- Physical space & equipment
  - Blue print or drawing of space
  - Lease contract and terms of leasing
  - Full and complete estimate of repair if leasing or purchasing existing building, include timeline
  - Full and complete estimate if building facility, include timeline
  - What future facilities will be needed
  - Complete equipment list
  - Spec sheets on all capital items is needed

### Operations (continued)

- Production process
  - Operations manual
  - Inventory control plan
- Labor (other than management)
  - Organizational chart
  - Job descriptions for all positions
  - Employee manual
  - Disciplinary action program
  - Retention program
  - Training program
  - Non-compete forms for sales staff
  - Orientation program
- Management
  - Key management and their duties and responsibilities
    - How their roles fit into all of company
  - Compensation of ownership
    - Management compensation
    - Shareholders compensation plan
    - Retention of earnings plan

### Organization

- How are you organized? Be sure it covers the following plans:
  - Safety
  - Disaster recovery program
  - Insurance
    - Workers Compensation
    - Fire or Structural Damage
    - Liability (product & public)
    - Vehicle coverage
    - Loss & theft of building contents
    - Glass & sign breakage
    - Business Interruption
  - Bonds as required by local, state, or federal laws
  - Storage
  - Accounting
  - Recordkeeping
  - Information Technology (IT)
  - Inventory
  - Strategic planning
  - Succession planning
  - Exit plan
- Organizational chart
- Board of directors or advisors
- Professional services

### Milestones

- What will your milestones be for your business
- Plan is for five (5) years; be sure the milestones cover these years
- Include the measures of success that you will use to determine achievement

### Critical Risks and Problems

- Add this section and include:
  - What realistic problems exist to change the way business is conducted
  - How you will understand there is a problem
  - How you will conquer the problem

### Financials

- Cash flow projections—month by month for the first 24 months
- Cash flow projections for years 3, 4, 5
- Income statement
- Opening balance statement
- Desired financing
- Capitalization structure
- Use of funds
- Future needs

### Conclusion (also write your Executive Summary)

Summary description of:

- Your company and industry
- Product and/or service
- The market
- Marketing approach
- Product or service
- Management of company
- If seeking financing, how much money is needed and what will the funds be used for

### Appendix

- This section and include:
  - Resume
  - Financial reports
  - Support documents i.e. job descriptions, HR manuals, operations manual etc.
  - Floor plan of business
  - Equipment lists

The Appendix is the support materials and references to your business plan. It is generally in a separate binder or folder due to the size of the business plan and the Appendix materials.