



# The Business Plan

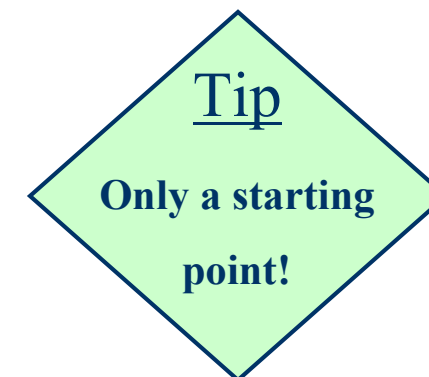
Putting It All Together



## The Business Plan

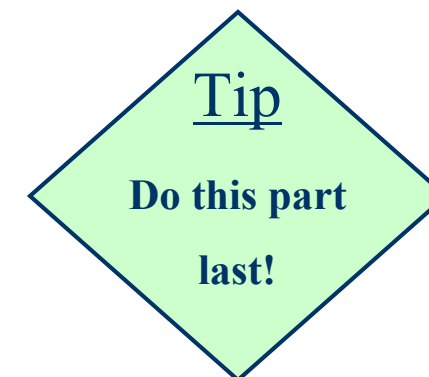
### The Outline

- Executive Summary
- Organization Review
- Internal Systems, Processes & Procedures
- Market Analysis
- Product Description
- Marketing Strategy
- Operating & Product Costs
- Capitalization Plan
- Projections & Financial Details
- Appendices



## Executive Summary

- Brief overview of plan
- Highlight key elements
- Less than 2 pages
- Tailor to reader
- Key financial details
- Make a request



## Organization Review

- Mission statement & objectives
- Proposed legal structure
- Regulations & licences
- Location and zoning issues
- Associations & networks (ie. BBB)
- Internal systems, processes & procedures \*



## Credit Granting Process

- Application
- Credit checks
- Terms, limits & payment
- Collection of overdue accounts
  - Reminders: Frequency? Who?
  - Reporting: When? Who?
  - Judgements: Waiting means losses



## Human Resources

- Jobs, skill, management structure
- Wage & salary ranges
- Benefits & incentives
- Performance reviews & training
- Entrepreneurial self-assessment
- Management skills action plan
- Business advisers and consultants



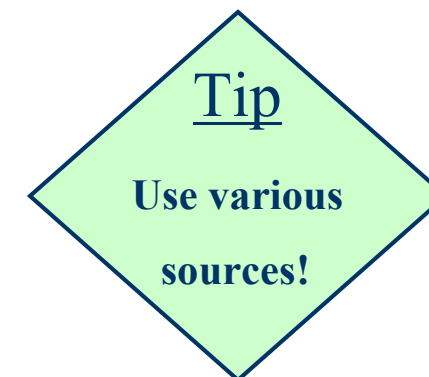
## Product Description

- Identify the need or want
- Features, benefits & value
- Durability of product appeal
- Patents, copyrights & trademarks
- Product research & development
- Compare competing products
- Is yours better? Does it matter?
- Suppliers, terms & alternates



### Market Analysis

- Trends: P<sub>olitical</sub>. E<sub>conomic</sub>. S<sub>ocial</sub>. T<sub>echnological</sub>.
- Demographics & psychographics
- Segment into primary/secondary
- Competitors: Poor? Few? Cheap?
  - S<sub>trengths</sub>. W<sub>eaknesses</sub>. O<sub>pportunities</sub>. T<sub>hreats</sub>.
- Test, survey & repeat as required
- Estimate market share & growth



## Marketing Strategy

- Unique selling proposition or 'Why'
- Develop messages and branding
- Define 'the deal', customer service & quality, pricing & terms of sale
- Sales activities & events
- Promotions & advertising
- Compare & contrast strategies
- benchmark & evaluate activities
- Integrate export & e-business



## Operating & Product Costs

- Include all start-up expenditures
- Obtain estimates to validate
- Itemize all overhead costs
- Product costing per unit
- Expected profit margins
- Compare with industry averages
- Other expenditures (draw, loans)



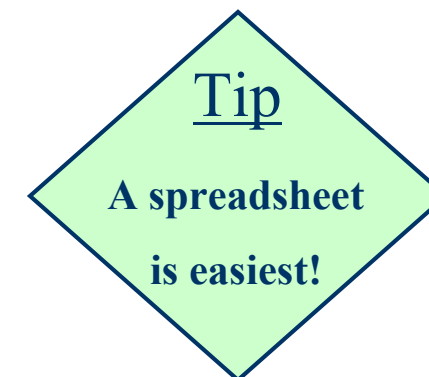
## Capitalization Plan

- Set-up costs & acquisitions
- Estimate item expenditures
- Leasing versus purchasing
- Owner's cash & in-kind equity
- Working capital calculation
- Calculate borrowing requirement
- Sources of capital – bank, grants?



## Projections & Financial Details

- Projected cash flow & f/s
- Break even calculation
- Create 'What if' scenarios
- Summarize all assumptions
- Calculate key ratios & benchmarks
- Compare with industry averages
- Owner's personal equity statement



## Appendices

- Resumes & references
- Product testimonials
- Sample promotional materials
- Market studies & research
- Contracts & agreements
- Pictures of site & equipment
- Published data & articles

