



## Cover Page

*Every business plan needs a cover page. The cover should show the following information (fill in for your business):*

Company Name  
Address  
City, State Zip  
Web Site Address

Company Owner's Name  
Email Address  
Phone Number  
Fax Number

Company Logo (if available)

Date

Organization name and address the business plan is submitted to *(leave blank if you don't know yet)*

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## Executive Summary

The Executive Summary section provides an overview of the Business plan, highlighting the primary ideas from each of the business plan components:

- Company Introduction.
- Industry Analysis.
- Customers.
- Market Analysis.
- Competition.
- Marketing/Sales Plan.
- Human Resources Plan.
- Operations.
- Research and Development Plan (if appropriate).
- Financials.

Also, include in this section the purpose for writing the plan. Even though this section comes first in the business plan, it is usually written after all of the other sections have been completed, as a one or two page summary of the highlights.

Type your company information in the content box below. It will expand as you write to accommodate as much space as you need.

## Company Introduction

Introduce and describe your company. How was your company formed? How long has your company been in operation? What is the current legal structure? Does your company hold any patents?

You may want to highlight the following elements within this section:

- Overview of company history/capabilities.
- Product description, present state of development.
- Past customers and performance (if any).
- Intellectual property status (if applicable).
- Commercialization strategies (brief summary, if appropriate).

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## Industry Analysis

Paint a picture of what your specific industry is doing. For your company to be successful, you need to be aware of what is happening in the industry overall, so that you can position your company to take advantage of growth or unique market opportunities. Similarly, industry awareness will help ensure that your sales projections are realistic. Is the industry large enough to support another supplier? How fast is your industry growing (sales \$, number of customers, profits)? Are there specific segments growing faster than others? Which industry associations exist and prove to be useful resources? What data is provided by government sources?

You may want to highlight the following elements within this section:

- Identify trade associations that support your product/service area.
- SIC code analysis.
- Current industry status and trends.
- New products or services in the industry.
- Economic/political issues that may be of impact.

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## Customers

It is important for a company to know exactly who they are targeting with their products/services, where the customers are located, why they are interested in the product/service, and when/how/why they will purchase the product/service. Describe your ideal customer in terms of their demographics (age, gender and income) so that your selling approach will make sense to them.

You may want to highlight the following elements within this section:

- Description of target market (who is your ideal customer?).
- Geographic area for target market (within 60 mile radius? nationwide?).
- Problem that company is solving for the market (what do they need?).
- Buying behavior (how often, how many products?).
- Decision making process (how much lead time, is it a group decision?).

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## Market Analysis

Once you have a good description of who your customers are, group them into primary and secondary markets. Your primary market is the group that is likely to buy the largest quantity of your product, or that is likely to buy more of your most profitable product. Secondary market includes those customers who will buy, but probably not at the same volume level as your primary target. Next you should estimate how large your target markets are (number of potential customers, how much are they likely to spend in a given year). Then, predict how fast your target markets will grow. Be realistic. Even if every customer loves your product, they all have limits on their ability to spend.

You may want to highlight the following elements within this section:

- Define primary and secondary markets.
- Market size and trends.
- Quantify available markets.
- Predicted annual growth rate of markets.

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## Competition

Who is your competition? Competitors include other suppliers who provide similar products (direct competitors) as well as those who provide a product in the same general category (indirect competitors). For example, a retail video rental store competes with other video rental companies, and also with other forms of entertainment such as movie theatres, HBO, etc.) How much of the market do your competitors hold? Who has the largest share of the market and what are their strengths and weaknesses? In which areas does your company have a competitive advantage over your competitors? Are there products or services that may threaten your company's ability to produce a profit?

You may want to highlight the following elements within this section:

- Indirect & direct competitors? Who are they?
- Market share of competitors.
- SWOT (strengths, weaknesses, opportunities, threats) analysis.

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## Marketing/Sales Plan

Your Marketing and Sales Plan needs to focus on the key characteristics of your target customers, their demographics and buying behavior, and their attitudes about your product. Why will a customer buy from you and not a competitor?

Set realistic sales goals that recognize the size of your industry, the size of your target market, how strong your competitors may be, and your ability to produce the product. Understanding your customers will also help you determine your sales force and distribution plans. Does your product require a direct sales approach? Will customers feel comfortable ordering online? Do customers need to see the product before purchasing? How many contacts will they need before agreeing to purchase?

Once you know your sales targets, you can plan your communications strategy around how many prospects you need to reach. Customers need to be aware of your company, and they have to want your product, have the ability to purchase it, and be satisfied with their purchase so that they will purchase again and also spread your name to others. Your advertising needs to include the media (such as print ads, radio, direct mail, billboards, events, publicity) that best reach your target market. And you will need to get the word out on a regular basis, so draft your communications plan onto a calendar, with regular communications activities throughout the year.

Often, partnering with a company that provides a complementary product can open the door to a broad base of potential customers. (For example, a Subway Shop may open next to a gas station.)

Pricing is an important part of your marketing mix. Estimate sales at various price levels. Investigate your target customers' expectations about price, in addition to what your costs are.

You may want to highlight the following elements within this section:

- Marketing and sales objectives.
- Current customer profile (if applicable).
- Potential customers feature/benefit analysis (what are customers looking for?).
- Potential teaming partners: who are they, why selected (if appropriate).
- Pricing: price points, margins and levels of profitability at various levels of sales.
- Sales plan: sales force analysis, sales expectations for sale people, distribution channels, margins for intermediaries, customer service, and warranties.
- Advertising: Year 1 detailed marketing communications plan including implementation plan, Year 2-5 general plan, marketing budget/costs, assumptions.

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## Human Resources Plan

How will you manage your company? How many staff members will you hire and in which roles? How much money will you spend? What are your goals for staffing? Estimate the costs and benefits of full-time, part-time and contract employees. How will new employees be trained? Critical areas include Operations, Sales, and Finance, and each function needs to be defined. How will decisions be made? Where are your greatest strengths? What skill areas and team members need to be added?

You may want to highlight the following elements within this section:

- Management team.
- Staffing objectives.
- Organizational structure growth for 3-5 years.
- Key individuals to be recruited.
- Human resource budget.
- Board of Directors, Research Advisory Board (if appropriate).

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## Operations

Who is responsible for running the day-to-day operation and how is this being implemented? Even the best and brightest entrepreneurs cannot do everything. Identify key work areas that will ensure customer satisfaction and company growth and make sure staff understands their responsibilities. This ranges from how the telephone should be answered to what is your return policy to how do we reach more customers, to what is the most cost effective level of inventory?

You may want to highlight the following elements within this section:

- Basics on how work will be processed.
- Use of subcontractors.
- Quality control.
- Market Analysis.
- Facility needs.
- Manufacturing needs.
- Budget requirements.

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### Research and Development Plan

Plan for your company's future and growth. Whether you will be developing new products or expanding to additional locations, a growth plan is important. What are your goals and plans in this area? What obstacles do you foresee while trying to achieve your objectives? Will you require additional financing to obtain your research and development objectives?

You may want to highlight the following elements within this section:

- Research and Development objectives.
- Milestones and contingency plans.
- Difficulties and risks and how to overcome them.
- Special budget needs.

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## Financials

What are the financial goals and plans for your company? What do you need and how will you obtain it? What is your company's financial history?

You may want to highlight the following elements within this section:

- **Assumption page** - A list of your explanation for the numbers in the financial projection. An uninformed reader should be able to understand how the figures being presented were derived.
- **Cash flow projections** - This will compare the money coming in to the money going out on a month-by-month basis. Can you pay your monthly bills?
- **2-5 years profit & loss statements** - Why? Because some bankers do not have credit analysts to help with this aspect. Also, the credit analyst may need to prepare ratio analysis. In addition, as the business owner, you need to know if your company is growing financially and according to your targeted goals.
- **Financing needed and equity/debt options** - Ask for what you have assumed in the financial projection. For example, if the projection assumes a \$50,000 at 7.5% for 10 years, that is what you ask for.
- **Use of funds** - Tell how the money borrowed/invested will be spent.
- **Alternative scenarios** - Some situations are best represented by developing more than one set of financial projections. One may want to present a "best case" and "worst case" scenario.
- **Terms and conditions of any previous financing** - One needs to talk about existing debt and equity arrangements.
- **Commercialization/strategy (if applicable)** - Some business plans take an idea or invention from conception to the market place. One needs to address those issues as the timeframe for such a project is usually very long.
- **Exit strategy** - How is the money going to be extracted from the business? Do you plan to sell the business? Will your children inherit it?

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## Supporting Documents

You may want to include the following in this section:

- Owner's resume.
- Personal income tax forms if required.
- List all owners with over 20% of the stock.
- Letters of recommendation.