

Sections of a business plan

The following provides an outline of the sections of a standard business plan. Whether you are using the plan to support a financing request or as a guidance document to help manage your business, the final plan should be clear, concise and include all details that are relevant to the operation of your business.

TITLE PAGE

The title page should include your name, business name, business address and company logo.

EXECUTIVE SUMMARY

The Executive Summary is a concise summary of the key components of your business that allows the reader a quick, accurate overview of the details that are contained within the plan. The executive summary is often written last and summarizes all of the details included in the plan. This section should include items such as:

- Name of the owners and structure of the business
- Location
- The services or products you offer
- Overview of the business operations

*Tip: save writing the Executive Summary until you have completed all other sections of your business plan.

TABLE OF CONTENTS

Include a table of contents assigning page numbers to your business plan sections. This ensures that the reader can easily locate key information.

COMPANY PROFILE

This section describes the business and its product/service offerings. It will highlight the roles and responsibilities within the business and includes the business structure, ownership, and operations roles, and any supporting professionals that will be utilized. Information to include is:

Description of Company

- Description of the business
 - Type of operation (retail, manufacturing, service etc.)
 - Brief description of products or services offered
- Company Vision, Mission and Goals
 - Vision: Future-focused, where is the business going?
 - Mission: Present-oriented, a brief declaration of who you serve, what problem you're solving/gap you're filling, and why it matters.
- Company size and location
 - Location and size of facilities
 - Business Contact information

Ownership Structure -

Clearly outline the organizational structure of your company. The three most common types of legal structures for businesses in Canada are:

- Sole Proprietorship
- Partnership (provide names and partnership 'structure')
- Incorporated Company (include names of directors and officers)

Each of these models has unique legal and tax implications, so you should carefully consider all the advantages and disadvantages of each before deciding on the organizational structure of your business.

Management/Personnel

- Ownership
 - Who are the owners?
 - What experience and qualifications do they bring to the business?
 - What are their roles and responsibilities?
- Management: Provide detailed information for all the individuals on your team including work experience and relevant education. Include specific job descriptions in the appendix.
 - Who is responsible for:
 - Keeping financial records
 - Managing daily cashflow
 - Budgeting
 - Handling payables/Receivables
 - Hiring
 - Training
 - Supervising
 - Purchasing supplies and inventory
 - Managing day-to-day operations
 - Finding customers
 - Developing sales strategies
 - Promotions
 - Making the sales
- Supporting Professionals: Many businesses rely on external professionals to help support their business. Identify key areas where you may have additional support services such as:
 - Accounting
 - Banking
 - Advertising
 - Website Design
 - Consulting
 - Insurance
 - Legal
 - Graphic Design

*Include name and business you will be working with.

MARKET RESEARCH

This section includes the results and analysis of your market research and should demonstrate your knowledge and understanding of your industry as a whole, as well as demonstrates your understanding of the regional market you are entering.

Industry Analysis

- What industry do you operate in?
- Briefly indicate market size and growth trends of the industry.
- What key factors influence industry growth?
- What are the potential constraints to industry growth?
- Is this industry affected by technology? If so, what are the trends?
- What are the past, present and future trends in the industry?
- What are the industry safety and legal regulations? E.g. WorkSafeBC, Interior Health
- Are there any seasonal considerations for this business?

Competition Analysis

- Who are your competitors in the industry? Competition can be defined as someone who:
 - Provides the same service or product
 - Provides an acceptable substitute service or product
 - Uses a similar production technology
 - Provides an incentive/benefit for customers to buy.
- List 3 competitors in your industry and analyze them, what are their strengths and weaknesses?
 - Competitor 1
 - Brief description of business
 - Strengths/Advantages
 - Weaknesses
 - Competitor 2
 - Brief description of business
 - Strengths/Advantages
 - Weaknesses
 - Competitor 3
 - Brief description of business
 - Strengths/Advantages
 - Weaknesses

SWOT Analysis

Provide a full SWOT analysis for your business, detailing strengths, weaknesses, opportunities, and threats. Show that there is a fit for you in the existing market, among your current competitors. Consider how you compare with your competition based on product/service quality, price, performance, customer service, etc.

- Strengths
 - What do you do well?
 - What knowledge, skills and attitude do you have that can help your business?
 - How can you stand apart from your competitors?
 - What resources or assets do you have?

- Weaknesses
 - In what ways are you not efficient?
 - What knowledge, skills and attitude are you missing?
 - Are there any limited resources?
 - Is your startup budget limiting?
- Opportunities
 - What opportunities exist in your market that can benefit your business?
 - What is going on around you that seems to be useful?
 - What is missing in the market?
 - Who can support you and how?
- Threats
 - Which factors do you need to watch carefully to prevent harm to your business?
 - Is there anything that may eat away at your revenues or profits?
 - What threatens your marketing efforts?
 - What obstacles do you face in launching your business right now?

Customer Analysis

Describe your target markets as specifically as possible and segment them by age group, gender, income level, etc. Input customer persona template here if using. Describe their purchasing behavior and the factors that influence or motivate them to purchase products/services similar to yours.

- Where are they located and how many are there?
- Why do they buy? When? How much will they pay? Are they price sensitive?
- Are they one-time customers or repeat customers?
- How do you know they are interested in your product/service?
- What are the qualities about your product or service that will appeal to customers more than the offerings of your competitors?
- List any orders, contracts, or firm “commitments (conditional) to buy” that you have received.

OPERATIONS PLAN

This section of the business plan explains how your business will function efficiently to deliver its products/services and meet customer needs. This includes the daily and long term activities and processes required to run the business and achieve its goals. Detail your operations, logistics, processes, procedures, policies, and quality control. This section will answer questions about who will do what, when, where, and how. In this section provide information about aspects such as:

- Business location and days/hours of operation details
- Operating Equipment/Machinery requirements
- Staffing requirements
- Operating Processes
 - Detail client onboarding
 - Detail the process for bringing in new clients and integrating them into your workflow
 - Explain any intake forms, contracts, etc. needed
 - Detail order processing and logistics
 - How are customer orders received, processed, packed, and shipped?
 - Outline warehouse or transportation needs

- Detail policies, including timeframe, fees, processes, and exceptions:
 - o Cancellation policy
 - o Return policy
 - o Shipping policy
- Insurance
 - Describe what type of insurance you will have, e.g. commercial general liability, business interruption, professional liability, cyber insurance, WorkSafeBC.
 - What is the coverage from the insurance policy?
- Inventory control
 - How and when is inventory ordered?
 - What system will you use to track your inventory?
 - Where will you store your inventory?
- Suppliers
 - Who are your suppliers? Where are they located?
 - What are your payment terms? Do you have a wholesale account?
 - How often do you buy? How often do you pay?
- Quality control procedures
 - What are your shipping procedures?
 - How will you ensure product/service consistency?
 - How will you manage customer service/client feedback?
- Payment methods and terms?
 - Is there a deposit required? If so, when?
 - When is your payment due? Upon purchase? Net 30? Net 60?
 - What Point of Sales system will you use? What are the transaction payment details?
- Tax management systems
 - Are you required to register for GST and/or PST? If so, when? Right away, down the road?
 - How are you tracking your GST and/or PST payments? What system are you using? E.g. Quickbooks, Wave, spreadsheet, hiring a bookkeeper
 - What is the remittance schedule for GST? For PST?
- Sample week schedule, as if operating at full capacity
- Describe key activities including both billable and nonbillable tasks, categorized by frequency: daily, weekly, monthly, quarterly, yearly.
- Key dates for business, e.g. registration of business, website launch, marketing campaign, etc.

MARKETING PLAN

This section describes the strategies and tactics that you will use to attract the interest of those in your target market, deliver the goods to them, ensure their satisfaction, and achieve your sales forecast.

The marketing plan should flow directly from your analysis of market conditions and the identification of your target market. The marketing plan should explain how you are going to use the fundamental marketing building blocks of *product*, *price*, *place*, and *promotion* to your advantage.

Product

Develop a clear, concise description of the product or service that “speaks” to your target market. Include aspects such as:

- Uniqueness of your product: how do you stand out from your competition?
 - Unique Selling Proposition (USP) describes what makes a product/service different from its competitors.

- What is the “need” that you address, the “problem” that you solve, the “gap” that you fill?
- How do you maintain an advantage over the competition?
- List any complementary products/services/add-ons.

Price

Your pricing strategy will include number of factors such as:

- What prices are your competitors charging?
- What prices are you intending on charging?
- What is your pricing strategy, or why are you charging what you do?
- How do you know that people will buy?
- Will you offer promotional pricing, such as:
 - Packages
 - Bundles
 - Introductory pricing
 - Free shipping over certain price

Place (Distribution)

- What channels will you use to distribute your product/service? E.g. online, in store, mobile.
- What is the timing of your distribution? (consider seasonal or economic influences)
- Will your distribution be:
 - Intensive – try to get your product everywhere?
 - Selective – place your product in strategic locations?
 - Exclusive – offer distribution rights?
- What are your sales goals per day/month/year, including any anticipated seasonality in sales
- How will sales be conducted? What is the customer / client journey?
 - How will people find you?
 - How do you communicate with your clients?
 - How do people buy from you?
 - How do you follow up?

Promotion

Promotion is the element of marketing that describes how you communicate your information to your potential customers. The marketing plan must include details on the approaches you will use to attract your target market. In this section the following should be addressed:

- Which media do you plan to use?
 - Radio
 - Newspaper
 - Google My Business
 - Magazines
 - Billboards
 - Tradeshows
 - Car Decals
 - Website
 - Social Media
 - Person to Person Networking
 - Print Marketing

- How do you know it will reach your target customer?
- How much do you plan to spend on each medium?
- How frequently do you intend to use each medium? Outline a marketing schedule
 - E.g. Posting on social media, sending newsletters, running ads, participating in events
- What is your plan for monitoring and feedback? How will you know your promotions are successful?

FINANCIAL PLAN

This section outlines the important financial details of your business. The financials section should demonstrate the viability of your business. This section summarizes the important details of your financial plan to support the projection data found in your sales schedule and monthly income/loss spreadsheet.

Your financial plan must include components such as:

- Pricing Model
 - How much will you charge?
 - What is your cost of goods sold?
 - What is your anticipated gross margin on products sold?
- Operating Expenses
 - Advertising – digital and print
 - Website
 - Business Fees, Licensing, and Dues
 - Insurance
 - Wages
 - Supplies
 - All other day to day expenses

*Tip: go line by line through your financial projection operating expenses to describe the allocation of expenses. Explain the strategy and reason behind the numbers entered into spreadsheet.

- What are your projected revenues for the first year? (summarized monthly)
- Will your revenues cover your expenses? If not, how will you cover these costs?

Include detailed financial summaries such as:

- Business Start-Up Costs
- Sales Schedule
- Projected Monthly Income/Loss Statement

RISK ANALYSIS

This section outlines any major risks the business may face. All businesses have inherent risks. The risk assessment demonstrates the knowledge around potential risks to the business and addresses the risk mitigation plan. Consider:

- External risks, e.g. economy, weather, new competition, supplier issues, technology, politics, demand.
- Internal risks, e.g. poor sales, cost overruns, staff turnover, legal issues.
- Personal risks, e.g. vehicle breakdown, illness, family emergency.
- Contingency plans: how will you deal with unexpected occurrences?

APPENDICES

Any supporting documentation you can provide to enhance the viability of your business idea can be included in the Appendices section of the business plan. Following is a list of possible appendices that are commonly included in a business plan:

- Product photographs and specifications
- Résumés of your key personnel (including your own resume)
- List of prospective customers: include letters of intent/support from potential clients/customers
- List of possible suppliers: include letters of intent/support from prospective suppliers
- Job descriptions
- Supporting reports
- Market surveys
- Legal agreements and contracts
- Intake forms
- Publicity articles and promotional pieces
- Certifications
- Other supporting material