

## 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.

### A. Title Page

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

### B. 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

### B. 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.

### C. Description of Company

- Company Vision, Mission and Goals
- Description of the business
  - Products or services offered
  - Type of operation (retail, manufacturing, service etc.)
- Company size and location
  - Location relative to the market
  - Size of facilities
  - Type of market you are targeting

### D. Organizational 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)

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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 Team

Provide detailed information for all the individuals on your team including work experience and relevant education. Include individual resumes and specific job descriptions in the appendix.

  - Who is your Financial Manager? They are responsible for:
    - Keeping financial records
    - Managing daily cashflow
    - Budgeting
    - Handling payables/Receivables
  - Who is your Staff Manager? They are responsible for:
    - Hiring
    - Training
    - Supervising
  - Who is your Operations Manager? They are responsible for:
    - Purchasing supplies and inventory
    - Managing day to day operations
  - Who is your sales and marketing manager? They are responsible for:
    - Finding customers
    - Developing sales strategies
    - Promotions
    - Making the sales

### Supporting Professionals

Many businesses rely on external professionals to help support their business. It is important to identify key areas where you may have additional support services such as:

- Accounting
- Banking
- Advertising
- Consulting
- Insurance
- Legal

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### E. Operations Plan

The operations plan includes information about the day-to-day business activities. In this section provide information about aspects such as:

- Schedule and description of key activities (daily/weekly/monthly/quarterly/yearly)
- Days/hours of operation
- Machinery/Equipment requirements
- Inventory control
- Suppliers
- Staffing
- Quality control procedures

### F. Marketing Analysis

The Marketing Analysis section of the business plan includes the results of your market research and should demonstrate your knowledge and understanding of the 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 regulations?
- Is this industry seasonal?

#### Competition Analysis

- What is the nature of the competitive environment?
- 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.
- What are their strengths and weaknesses?
- How do you compare with your competition on the basis of product/service quality, price, performance, customer service, etc?
- Discuss the market share held by major competitors and what you think your share may be.
- Are there other products available in the market that might present a threat?

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### Customer Analysis

- Describe your customers as specifically as possible and classify them by age group, gender, income level, etc.
- Where are they located and how many are there?
- Describe their purchasing behavior and the factors that influence or motivate them to purchase products/services similar to yours. Why do they buy? When? How much will they pay? Are they price sensitive?
- How do you know they are interested in your product/service?
- What is it 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 from potential customers.

### **G. 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?
- What is the “need” that you address or the “problem” that you solve?
- How do you maintain an advantage over the competition?

### Price

Your pricing strategy will include number of factors such as:

- What prices are your competitors charging?
- What prices are you intending on charging?
- Why are you charging what you do?
- How do you know that people will buy?

### Place (Distribution)

- What channels will you use to distribute your product/service?
- 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 and who will be responsible for sales?

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### 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
  - TV
  - Newspaper
  - Magazines
  - Billboards
  - Tradeshows
  - Website
  - Social Media
  - Person to Person Networking
- 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?
- What is your plan for monitoring and feedback (how will you know your promotions are successful?)

### H. Financial Plan

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 (such as)
  - Wages
  - Supplies
  - Rent
  - All other day to day expenses
- 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:

- Start-up Expense Report
- Sales Forecast Schedule
- Projected Income Statement
- Projected Cashflow Statement
- Balance Sheet
- Break Even Analysis

### I. Risk Analysis

- Competitive reaction – how have the competitors reacted?
- External risks (economy, weather, new competition, supplier issues, technology, politics, demand)
- Internal risks (poor sales, cost overruns, staff turnover, legal issues)
- Contingency plans: how will you deal with unexpected occurrences?

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### J. 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 management team
- List of prospective customers: include letters of intent/support from potential clients/customers
- List of possible suppliers
- Letters of intent from prospective suppliers
- Job descriptions for management team
- Consulting reports
- Market surveys
- Legal agreements and contracts
- Publicity articles and promotional pieces
- Other supporting material