



## Business Plan Template

### Cover Sheet

The cover sheet should include the name of the business and the owner's name.

### Introduction/Executive Summary

Provide a **brief** introduction of what you plan to do with your business. State the general nature of the business. This section of the business plan is generally written **LAST** but included up front in your business plan.

- **Brief Summary of Plan** – Why have you developed this plan?
- **Major Objectives** – What do you plan to do?
- **Description of Products** – Tell us (briefly) about your products.
- **Marketing Strategy** (briefly) – This will depend a great deal on the competitive environment and typical activities of the industry you are entering.
- **Financial Projections** – very brief discussion of financial needs and expected sales and profits.

### History of the Business

- **Background of the principals, and/or company origins** – Provide experience and education that has prepared principals for operation of this business project. How did this company begin, if it is an existing business and how did the idea of the company develop if it is a new business.
- **Background of the products** – tell us about your product.
- **Capitalization or Source of Funds** – Tell how much money you are putting or have put into the project, how much you anticipate borrowing, and how the money will be used (i.e. \$X for equipment and \$X for renovations and \$X for software licenses, etc.).
- **Brief Outline of Company Successes or Experiences, if any**

### Ownership and Management Structure

- **Owners and their experience** – What has prepared you to run this business? This should discuss your education and work experience. When talking about your experience, you should talk about positions held, companies you have worked for and the duties you performed. It is a good idea to reference your resume and include your resume as an attachment or addendum to the business plan.

- **Managers and their abilities, training and development, and experience** – Tell about other managers that will be working with you and their education and work background. You may also want to address how many employees you will have and what skills they will need. Discuss how you will secure employees to work for you. If there are a number of people in the organization, an organizational chart would be appropriate.
- **Organizational structure** – sole proprietorship, LLC, partnership, C Corporation, Subchapter S Corporation, etc. If you indicate that you are going to be a C Corporation and do not provide a *reasonable* explanation for that decision, I have no choice but to assume that you have not fully read or understood all the disadvantages of being a C Corporation. Most small businesses will be sole proprietors or Limited Liability Corporations (LLC).

## Description of the Market

This particular section of the business plan is probably where your greatest amount of research will be spent, especially in identifying the size of your market.

- **Target Market – Who? How Many?** - Identify the group that will represent the greatest sources of sales revenues. What is their age, income, sex, lifestyle, etc.? How large is your target market (in numbers and/or dollars spent) (research)? Why do they need your product or service? Will your product become obsolete with new technology?
- **Market Penetration Strategies** –
  - What are you going to do to gain customers?
  - How will you capture business from competitors?
  - What type of image do you plan to project/brand?
  - Is signage a part of your strategy?
  - Is the Internet part of your marketing strategy and if so, how?
  - Does your marketing include personal selling?
  - Advertising? Tell us about formal advertising or promotions that you will offer.
    - Will you do the Yellow Pages? Which one? How much will it cost?
    - Are you going to sponsor contests?
    - Will you have sales? When? For how long?
    - How will you advertise? TV? Radio? Magazines? Cable? Telemarketing? Direct Mail? Newspaper? Billboards? How much will all this cost?
    - Will you utilize press releases?
    - What about trade shows?
    - Networking?
  - When will all this be done each year or your first year (i.e a calendar outlining marketing events)?
- **Analysis of competition** – **How Many? Strengths and Weaknesses?**
  - Describe your competitors sufficiently and individually to let others know that you are familiar with your competitive environment.
  - How many competitors do you have, who are they, how long have they been in business, where are they, and what do they do well, and poorly, and what share of the market do you feel they have?

## Description of the Business

- Where will the business operate?
  - This means street address or general street location? From home?
  - If away from home, what type of facility? Why the type of location you have selected? How many square feet?
  - What type of zoning do you need?
- Has a store/business floor plan been developed?
  - If you are food service, discuss the layout of the kitchen.
  - If you are retail, discuss the layout of your store.
- Owned or leased? What type of lease?
- What about traffic count, major roads, freeways, parking, sidewalks?
  - Mississippi Department of Transportation has traffic counts on their website (<http://mdot.ms.gov>)
- Is this business convenient for the customer?
  - Hours of operation?
- Are there any environmental issues that need to be entertained?
- What is the economic outlook (recession, recovery, growth)?
- What is the outlook concerning governmental regulation?
- Are there any social issues that have to be considered?

## Description of the Product(s)

- **What is to be developed or sold** – Describe the product (this includes services) and the manner in which it is sold to customers. If you are doing a restaurant, this is a good place to put your menu.
- **Status of Research and Development** –
  - Are there any changes taking place with this product (in other words, what if you are Blockbuster or the Movie Gallery)?
  - Is your product a fad and if so, what is to follow when the fad is over?
  - How do you plan on addressing changes in the industry or product line?
  - ALL business and products are being impacted by technology that makes things better/faster/cheaper/etc so discuss the role of technology in your business/industry. The computer is changing the way business is conducted and managed so it is one area of technology impact.
- **Patents, Trademarks, Copyrights** – Do you have any of these or will your business operations be impacted by any of these?

## Discussion of Financial Considerations

- **Pricing strategies** – How do you go about setting prices on your product or service?
  - What will be the average price per transaction?
  - How many will be sold and how did you formulate those projections?
  - What pricing strategies are going to be utilized?

- **How sales are to be made?** – Where does the transaction take place and how is the sale made. Is credit available and what type of credit policies are you offering?
- **Purchasing** - Where will the business buy inventory?
  - Who are your vendors? What will your vendors supply?
  - If you are manufacturing, what raw materials will you need and where will you obtain those materials.
  - Are there any problems in gaining access to inventory (i.e. shortages)?
  - How stable are costs on the items you buy (i.e. gasoline is rather volatile and if you do transportation, how will you handle those fluctuations)?
- **Financial Plans** – How will financial records be maintained? Who will keep the books?
  - How often in bookkeeping going to be done? How often will the financial progress of the business be evaluated and who will perform the evaluation?
  - Who will do the taxes?
  - How are prices set? Provide a price list (or menu in the case of a restaurant).
  - What are goals for profitability?
  - What assumptions need to be considered when looking at financial statements?

## Financial Statements

- **Source and Use of Funds Statement** – This statement lists all the money that is being placed into the business and how it will be used.
  - Is there sufficient and reasonable documentation to support the costs associated with getting the business open/started/where it is now?
  - Are all needs reasonable? NOTE – no personal expenses such as a personal vehicle or living expenses should be included.
  - How much of the needed sources of funds come from the owner and how much is being financed through a loan?
- **Cash Flow Worksheet and Income Statement** – This statement will provide a month by month projection of expected revenues and expenses.
  - Does the business plan present reasonable expectations of business expenses?
  - What are the expenses of the business? Are all expenses considered?
  - Is there a sound basis for determining business revenues? Are revenue expectations reasonable? Seasonal businesses should reflect fluctuations and start-up businesses should reflect a growth of business that starts small and develops as the business develops.
- **Critical Assumptions** – Provide a statement that lists assumptions that were made in developing financial statements (i.e. the costs of items, the cost of labor, assumptions in developing revenues, factors in setting price, information that backs up how expenses were calculated, etc.)