

Business Plan Guidelines

The following Business Plan Format checklist is meant as a guideline only listing the most important sections of the business plan in the order in which they will likely appear in your completed business plan. It's much recommended to follow this checklist while you are preparing your business plan.

*	<p>Cover Page shall include the following:</p> <p>Business Plan Title Applicant Full Name City/Address Telephone Mobile E-mail</p>	
1	The Executive Summary	
	<p>An Executive Summary is devoted to summarizing the key points of your business plan in one or two pages. The Executive Summary is important to capture the reader's attention (the juries or potential lender \ investor). Make sure it sells your idea so the reader will retain interest and continue reading. Your Executive Summary is a maximum two pages summary of the highlights covered in your plan including:</p> <ul style="list-style-type: none"> • Description of your company (nature of business and market area) • Products/services • Summary key market figures and your competitive advantage • Proposed sources and uses of funds 	
2	Products and Services	
	<p>The Products and Services section should describe what you sell and how you differentiate your products / services portfolio from other competitive offerings. It provides detail on what your business does and begins to describe how it will generate revenue.</p>	
3	Market Analysis	
	<p>The Market Analysis section will provide an overview of the industry that the business will be a part of, primary and secondary target markets and investigation of your direct and indirect competitors. It should include the following subsections:</p>	
3.1	Market Research	
	<p>The Market Research section provides a summary of all information you referred to in order to determine that there is a demand for your product/service. Particularly important section for start-up businesses or new products/services are the research and it should include the following subsections:</p> <ul style="list-style-type: none"> • Secondary Research - This includes information from second-hand sources, including books, magazines, government sources, Internet, etc. • Primary Research - Information you collect firsthand, including personal 	

	interviews and discussions, surveys, etc.	
3.2	Industry Analysis	
	<p>The Industry Analysis provides trends, major players in the industry, and estimated industry sales. It also examines:</p> <ul style="list-style-type: none"> • Total industry size (revenue generated, number of companies, etc.) • Growth potential and factors influencing the industry growth • Standards and regulations affecting the industry • Common costs and profit margins • Industry trends, including opportunities and threats trends, major players in the industry, and estimated industry sales. 	
3.3	Customer Analysis	
	<p>The Customer Analysis examines the primary target market for the product or service, including geographic location, demographics, target market's needs and how these needs are currently being met. This section covers the following:</p> <ul style="list-style-type: none"> • Identify and define your typical customer segments • Characterize each segment by location, age, gender, income, lifestyle and any other relevant characteristics of the target group • Discuss the buying criteria of your target market - i.e. what motivates this group to make the purchase decisions it makes? (i.e. price, quality, location, etc.) • Market niche • Size of your market, and your anticipated market share • Market trends and outlook 	
3.4	Competitors Analysis	
	<p>The Competitors Analysis investigates the business's direct and indirect competitors, assessing the business's competitive advantage and analyzing how it will overcome any entry barriers to the chosen market. This section covers the following:</p> <ul style="list-style-type: none"> • Discuss the similarities and differences between your product/service and those of competitors as well as your competitors' relative strengths and weaknesses • Your competitive advantage - what markets your product/service unique, and how will you use this to your advantage? • Detailed description of main competitors, including size, location, products/services, market share 	
4	Marketing Plan	
	<p>The Marketing Plan explains how the business is going to get customers to buy its products and services. This section will provide a detailed explanation of the business's pricing, promotion and distribution strategies.</p> <p>4.1) Pricing</p> <ul style="list-style-type: none"> • Describe your pricing strategy and how you arrived at it, including your pricing relative to your costs • How do your prices compare to those of your competition? <p>4.2) Product Positioning</p> <ul style="list-style-type: none"> • How your product/service is presented in the market (i.e. luxury item, impulse 	

	<p>buy, necessity, specialty item, etc.)</p> <ul style="list-style-type: none"> • Tools used to solidify the appropriate image and positioning of your product/service in the market <p>4.3) Promotion and Advertising</p> <ul style="list-style-type: none"> • Your promotional strategy, based on your target market and positioning • Detailed description of the types of advertising and promotion you will use to reach your target market (i.e. media advertising, direct mail, Internet, trade shows, press releases, etc.) • Include a timeline and associated cost estimations for each major type of promotion and/or advertising you plan to use as well as an annual budget • Describe how you will measure the effectiveness of your promotional efforts <p>4.4) Sales Strategy</p> <ul style="list-style-type: none"> • Based on your research and capacity, what are your sales goals (in units) per day/month/year, including any anticipated seasonality in sales • How will your sales be conducted and who will be primarily responsible for sales • Describe what resources will be allocated in sales in terms of both time and funds • Outline your company’s services policies, guarantees, warranties, etc. • Credit and collection policies • Explain how you will determine customer satisfaction <p>4.5) Distribution Strategy</p> <ul style="list-style-type: none"> • Includes all aspects of how your product is routed from your business to your customer • Where your product will be sold or in the case of services businesses where your service will be delivered/conducted • Identify intermediaries in your distribution network, such as wholesalers, distributors, etc
5	<p>Management Plan</p>
	<p>When writing the business plan, the Management Plan section describes your management team and staff and how your business ownership is structured. The Management Plan can be broken down into the following sections:</p> <p>5.1) Ownership Structure This section describes the legal structure of your business determining if it is a sole proprietorship, partnership or corporation. For partnership and corporation businesses, you may want to explain who holds what percentage of ownership in the company.</p> <p>5.2) Management Team Under this section you want to describe the duties, responsibilities and relevant skills of management team. Include information about entrepreneurial and industry experience.</p> <p>5.3) Human Resources Needs Outline your staffing requirements in this section including a description of specific skills that the people working for you will have to have. Identify if it be best for your business to have employees (full-time or part-time staff) or should you operate with contract workers or freelancers. Then determine how many employees will your business need</p>

	and what will it cost you.
6	Operating Plan
	<p>The Operating Plan provides a description of your business's physical location, facilities and equipment, kinds of employees needed, inventory requirements and suppliers, and any other applicable operating details, such as a description of the manufacturing process. The following details can be included in your Operations Plan:</p> <p>6.1) General Do an outline of your business' day to day operations, such as the hours of operation, and the days the business will be open. If the business is seasonal, be sure to say so. Also include the licenses, permits, and business insurance required as well as type of regulatory issues including potential environmental impacts.</p> <p>6.2) Physical Location What type of premises will be business be operating in and the size and location? If applicable, include drawings of the building, copies of lease agreements, appraisal of the land or buildings required for your business operations.</p> <p>6.3) Equipment Besides describing the equipment necessary and how much of it you need, you need to include its worth and cost, and explain any financial arrangements.</p> <p>6.4) Assets Make a list of your assets, such as land, buildings, inventory, furniture, equipment and vehicles. Include legal descriptions and the worth of each asset.</p> <p>6.5) Production Explain where you are going to get the materials to produce your product or service and explain the terms you have negotiated with suppliers. Determine how long it will take to produce a unit, and when you will be able to start producing your product or service. Include factors that may affect the time frame of production and how you'll deal with potential problems such as rush orders. Give details of product cost estimates.</p> <p>6.6) Inventory Explain how you'll keep track of inventory.</p> <p>6.7) Personnel List the number of staff required including subcontractors, qualifications, labor availability, wages, and benefits, training, personnel policies and workers compensation issues.</p>
7	Financial Plan
	<p>The Financial Plan includes balance sheet, income statement and cash flow statement. The balance sheet compares what your business owns to what it owes. The cash flow statement compares how much money will be coming in to how much you will be spending. The income statement compares your revenues to your expenses to see if you are going to make money.</p> <p>7.1) Balance Sheet The Balance Sheet is a snap shot of the business at any point in time. In the case of a</p>

	<p>business start-up, it is often the starting balance sheet. A balance sheet is made up of three parts.</p> <p>Assets: Things a business owns</p> <p>Liabilities: Debts a business owes</p> <p>Equity: The owners' investment and re-investment in the business</p> <p>Everything that the business owns, its assets have to have been paid for. Therefore we get the following formula:</p> <p>Assets = Liabilities + Equity</p> <p>This is extremely important as it gives the reader a picture of how the business is being financed through the owners' money (equity) or through the creditors' money (liabilities).</p> <p>7.2) Cash Flow Statements</p> <p>A Cash Flow Forecast is probably your most important financial tool. It is your cash flow that shows you if, and when, you will run out of cash essential to run your business. It allows you to take action before problems occur and even to do "what if" calculations before taking on new projects.</p> <p>The cash flow is a 12-month projection that forecasts the receipts and disbursements for your business. In a start-up situation, it is preferable to have a start-up month to specifically show the reader the costs incurred to start the business.</p> <p>7.3) Income Statements</p> <p>The purpose of the Income Statement Forecast is to project the revenues and expenses of your business over a given period of time – usually one year. Other terms for this are budgeted income statement or pro forma income statement. There are three things that need to be predicted to forecast your income statement: the sales projection, the cost of goods projection and the overhead's projection.</p> <p>7.4) Financing Plan</p> <p>This section should explain exactly and in detail how you are going to finance your business. Options available are bank loans, attracting investors, or self-financing.</p>
8	<p>Risk & Contingency Plan</p>
	<p>Your Risk & Contingency Plan should discuss possible challenges, issues, barriers that your business may encounter. These can be external (i.e. economic downturn) or internal (i.e. less than projected sales). State positive plans to minimize these risks.</p>
9	<p>Appendices</p>
	<p>The Appendices section should include any supporting material that you have referenced in writing your business plan. These materials may include a summary of market research surveys, contracts, price lists, detailed or technical information on your product/service, owners' resumes, etc.</p>