



**BUSINESS
BUILDERS**

CRAFTING A SOLID BUSINESS PLAN

STANDING ON

Business



**Thank you for downloading the
business plan template!**

This template is meant to serve as a guide for the creation of your business plan, but should be customized to fit your business.

The three main purposes of a business plan are to:

- Establish a business focus
- Secure funding
- Attract executives

[Your business name]

Business Plan

Prepared [Date]

[Preparer name, title]

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[Company website]

[Phone number]

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Executive Summary

Overview

The executive summary is the most important section of a business plan – it must draw readers into your plan and entice them to continue reading. If your executive summary doesn't capture readers' attention, they won't read further. If you're seeking investment funds, an uninspiring executive summary will turn potential investors off from investing in your company and can be disastrous to the launch of your venture.

After reading the executive summary, readers should have a basic understanding of your business and, ideally, be excited about its potential. At the very least, readers should be interested enough to read further to learn more about your products and services, your marketing plan, and your financial projections.

The key of this section is to be brief yet exciting.

The executive summary should include the following:

- Your objective
- The target market
- Your company's products and services
- The business's marketing plan
- A competitive analysis
- Funding and budget allocation for your company's processes and operations

- Your operational plans
- How the business plan will be measured

Executive Summary Template

Objective

Here, you want to provide an overview of the main business objective and idea for your company within two or three brief sentences.

Products and Services

Summarize the problem you are solving for consumers. How do your products or services serve as the solution?

Target Market

Briefly define the ideal customers and market segments for your products or services.

Competitive Analysis

What does the competition in your market or markets currently look like? Who are you competing against?

Marketing Plan

What is your high-level marketing strategy? What channels will you use? Describe them briefly here.

Sales Plan

Do you have a sales process? Will you need one? Give an overview of your sales plan here, if relevant.

Forecasts

Write a brief overview of your financial targets. How much do you plan to sell during the year? What are your long-term sales goals?

Financing

If you intend to raise money for your business, include a brief summary of how much you are seeking and what type of financing you are considering. If you don't need to raise funding, omit this section.

Budget Allocation

If you have certain budget requirements, list them here.

Staffing and Hiring

Do you need to hire employees? If you have current staff, how will they be involved?

Locations

Give an overview of your company's physical location and facility needs. What types of locations or facilities do you plan to acquire? If you currently have a location, how does it meet your company's needs? Do you have plans to add or eliminate facilities?

Technology and Equipment

List and describe any important technology or equipment you may need. This can include software such as customer relationship management (CRM) and email marketing tools, construction equipment, and anything else you need in this area.

Key Performance Indicators

What key metrics will you use to measure success and your business's performance?

Company Description

This section is an overview of your entire business. Include brief information, such as when your company was founded, the type of business entity it is (LLC, C corporation, or S corporation), which state(s) it is registered in, etc. A summary of your company's history gives the readers a thorough understanding of who you are and what your business is.

Company Overview

Start the company section by providing an overview of the company's history, its legal structure (LLC, S or C corporation, partnership, etc.) and its current location. It should also include information about the owners of the business and say whether there are any business partners.

Company Mission Statement

A mission statement is a quick explanation of your company's reason for existence. It can be as short as a tagline. The best practice is to limit your mission statement to one or two sentences.

Example: Airbnb's vision statement is "Tapping into the universal human yearning to belong – the desire to feel welcomed,

respected, and appreciated for who you are, no matter where you might be."

[Check out more details on how to write a mission statement.]

Company Philosophy and Vision Statement

What values does your business stand for? Honesty, responsibility, fun, innovation and community are some values that might make up your business philosophy.

The company vision is the long-term outlook for your business. What is your ultimate goal for your business?

Example: *Prezi's vision statement is "To reinvent how people share knowledge, tell stories, and inspire their audiences to act."*

Products and Services

In this section, describe the products and/or services your business provides. Focus on your customers' perspective (and needs) by demonstrating the problem you solve. The goal of this section is to prove that your business fills a market need and will remain viable for the foreseeable future.

Explain Your Company's Products and/or Services

What do you sell, and how is it manufactured or provided? List any business partnerships or manufacturers that play important roles in developing your product or service.

The Problem Your Product or Service Solves

Explain what problems your products and solutions solve. How, specifically, does your business accomplish this? What competitive edge does your company have that others lack?

Pricing

Explain your pricing model for your products and services here. Is it a subscription? Package? Retainer? How competitive is the pricing compared to other companies on the market?

Marketing Plan

In the marketing plan section clearly define who your target audience is, where you will find them, how you will reach them and, most importantly, how you will deliver your product or service to them. Provide a deep analysis of your ideal customer and how your business provides a solution for them.

Also include your competitors in this section and illustrate how your business is different. What are their strengths and weaknesses, and how will you differentiate yourself from the pack?

Market Research

Market research is an important element of a business plan. It further engages your target audience about the products, features, and services they want or need through polls, surveys, focus groups, social media monitoring, and other methods that help convince them of the need for your business and the solution(s) it offers.

Primary vs. Secondary Market Research

Primary research is generally conducted directly by your business, while secondary research is generally outsourced or found in existing online databases.

Since primary research is conducted by your company, you own the data. Secondary research, by contrast, is done by someone else to support your primary research, but you don't own the data.

It's important to do both types of market research, because they have different purposes: Primary research yields direct results about your audience, while secondary research backs up the insights gleaned from your primary research.

Follow these steps to conduct market research:

1. Define your buyer persona.
2. Develop research requisitions.
3. Engage market research participants.
4. Conduct the research.
5. Summarize your research findings.

Target Customer

As mentioned earlier, you need to identify your target customer or *buyer persona*. You may have multiple target customer segments, such as both businesses and consumers.

Once you identify your target customers, create a full demographic profile for them. Below are some suggestions to include in your consumer and business buyer personas.

Consumer profile:

- Age
- Gender
- Location
- Income
- Occupation
- Education level
- Interests
- Shopping and buying habits

Business profile:

- Industry
- Location
- Size
- Stage in business (startup, growing, mature)
- Annual sales
- Challenges

Barriers to Entry

What are the barriers to entry for your business, and how do you plan to overcome them? These are some examples of barriers to entry, startup costs that you may encounter:

- High capital requirements
- High marketing costs
- Lack of access to distribution channels
- Brand awareness challenges
- Market saturation by current competitors
- Steep learning curve
- Trademark consolidation in the market
- Onerous government policies

Threats and Opportunities

Once your company overcomes the barriers to entry you have listed above, what additional threats might still exist? Explain how the following could affect your startup:

- Supply chain issues
- Shifts in market requirements or trends
- Economic changes
- Relationships with suppliers and partners

Conduct a SWOT analysis that outlines your business's strengths, weaknesses, opportunities and threats.

Competitive Analysis

An analysis of your competitors identifies businesses in your industry or market that offer similar products or services to yours and evaluates them based on specific business criteria.

A good competitive analysis helps you perceive your business (and the competition) through customers' eyes, and it can help you pinpoint where you could improve.

A competitor analysis should include the following elements:

- A list of key competitors
- A feature matrix
- The market share percentage of each competitor
- Pricing
- Marketing strategies
- Differentiators
- Strengths
- Weaknesses
- Competitor geographic areas

- Company culture
- Customer reviews

Positioning/Niche

After going through the steps above, you will want to summarize your niche in this section. What gives your company a distinct competitive advantage in the market?

Method of Marketing Your Product and/or Service

Explain the marketing channels and advertising strategies you plan to use. For example, which of these marketing channels do you plan to use?

- A website
- Social media marketing (if so, which sites?)
- Email marketing
- [Mobile marketing](#)
- SEO (search engine optimization)
- Paid digital advertising (e.g., Google Ads)
- Content marketing
- Podcasts
- Print marketing materials (billboards, brochures, flyers)
- Public relations
- Trade shows

- Events
- Networking
- Word of mouth
- Referrals
- Radio
- TV

Logo and Branding

It's important to define your company brand. Your company logo, colors, fonts, etc. should be included here. What is your company's look, style and message that makes it unique? How will you incorporate this into your marketing efforts?

Marketing Budget

How much do you plan to spend on your marketing initiatives?

Develop a preliminary marketing budget of what you believe you need to start your marketing processes and a projection of what you anticipate spending on an ongoing or recurring basis.

Distribution Channels

What methods of distribution will you use to sell your products and/or services? Here are some examples:

- Retail
- Direct sales
- E-commerce

- Wholesale
- Inside sales team (i.e., reps typically located remotely in an office)
- Outside sales representatives (i.e., traveling reps, usually for face-to-face sales)

Operational Plan

This section outlines the ongoing operations of your business.

Staffing

What type of employees will your business need? In this section, provide details such as the number of employees and positions your business requires, the salary you plan to pay these individuals, and any specific certifications or job training they will need. How do you plan on hiring them?

Production

What does your production process look like? Explain the production methods, any equipment you will need, and the estimated production costs.

Quality Control

Explain how you will ensure your products (or services) are safe and consistent from batch to batch and product to product (or job to job). How will you measure quality?

Location

If you have or need physical locations, explain them in more detail in this section. Include details such as the size of the locations, rent costs, maintenance, utilities, insurance, and any remodeling expenses. Explain the type of building and any zoning restrictions or requirements.

Legal Environment

In what type of legal environment will your company operate? How are you prepared to handle legal requirements? What is the status of those legal requirements? These are some common examples:

- Licenses and/or permits
- Trademarks, copyrights, etc.
- Insurance coverage your business requires (and how much)
- Environmental, health or workplace regulations
- Additional special regulations in your industry

Inventory

If your business operates with inventory, you will need to detail the following:

- What type of inventory do you have (e.g., raw materials, supplies, finished products)?
- What is your investment in this inventory? What is the value of it?
- What is your projected inventory turnover rate?
- Do you have seasonal peaks for inventory? How will this affect your annual business operations?
- What is your lead time for ordering inventory?
- Do you store your inventory somewhere? Explain where it's located and how it's stored.

Suppliers and Vendors

List your key suppliers and the following information for each:

- Names, address and website
- Type and amount of inventory furnished
- Credit and delivery policies
- History and reliability
- Backup suppliers for emergencies
- Payment terms

Payment Terms and Credit Lines

How will you accept payments from customers? Will you provide a credit line? What will be your credit policy?

Management and Organization

Before anyone will invest in your business, they want a complete understanding of whom they are investing in. This section should illustrate how your business is organized. List key members of the management team, the founders/owners, board members, advisors, etc.

As you list each individual, provide a summary of their experience and their role within your company. Treat this section as a series of mini resumes, and consider appending full-length resumes or curricula vitae to your business plan.

Resume Summaries

Include a brief description of the resumes of the owner(s) and key managers or employees. These summaries should discuss the experiences these individuals have that pertain to the business and any history they have running or managing a business.

Management Gaps

If there are gaps in your management team, explain how you plan to fill them. For instance, if you don't have marketing experience, will you hire a chief marketing officer?

Advisors

List the members of your professional/advisory support team. Include a brief biography of each member and an explanation of how they will support the business.

Organizational Chart

Develop and include an organizational chart with your existing team and any new roles you plan to fill.

[Learn more about creating an organizational chart.]

Budgets and Expenses

This section discusses all initial expenses your business will incur and any capital that exists.

Startup Expenses

List all of the business expenses you will incur and how you came up with the amounts.

These are some common business startup costs:

- Research
- Insurance and licensing
- Technology and equipment
- Legal fees
- Marketing

Develop Budgets

Once you have an idea of your total business expenses, you can develop a budget. Keep in mind that new businesses often require more capital than what owners initially expect. You should add a contingency plan in case you need additional funds.

Plan for Capital

Do you have current investors? How much capital are they investing? How do you plan to raise capital? If you plan to apply for a business loan, you should provide information on the lender and the amount you are trying to finance.

Personal Financial Statement

If the goal of the business plan is to acquire financing, include personal financial statements for each owner and any key stockholder.

You should include details of each owner's assets and liabilities outside of the business and their personal net worth in this section.

Financial Plan

Provide a detailed overview of your finances. Include any historical data, if relevant; otherwise, you will need to develop and list projections here.

Here are some examples of what to include in a financial plan:

- Cash flow projections or statements
- Profit and loss projection
- Balance sheets
- Sales plan

Make sure this section is precise and accurate. It's often best practice to create this section with help from a professional accountant.

Finally, if you're seeking outside funding for your business, highlight why you're seeking financing, where that money will go, and when investors can expect a return on their investment.

Cash Flow Projections or Statements

The cash flow statement tracks how much cash your business has coming in and out of it at any given time. If you currently don't have any cash flow statements to show, you need to provide a cash flow projection. A cash flow projection helps you budget for upcoming expenses so you don't run out of money.

Develop a cash flow projection for the following items:

- Inventory
- Rent
- Payroll
- Marketing expenses
- Customer payments

Profit and Loss Projection

A profit and loss (P&L) statement compares the total revenue for a business against its debt and expenses. Essentially, all of the company's expenses are subtracted from the income. Other names for a P&L statement are "income statement," "earnings statement," "revenue statement," "operating statement,"

"statement of operations" and "statement of financial performance."

There are three parts of a P&L statement:

- First, subtract the cost of goods sold from revenue – this represents gross profit.
- Next, deduct operating expenses from the gross profit, leaving the operating profit. (These are earnings before interest and taxes.)
- Then, subtract nonoperating revenues and expenses from the total, leaving the total profit or loss.

If you are creating a P&L projection, explain how you determined your numbers.

Projected Balance Sheet

A balance sheet offers a way to scrutinize your business and outline its worth. A balance sheet is different from a measure of profit and loss. It's a list of assets and liabilities. Any good balance sheet includes these basics:

- What the business owns or expects to own (real estate, vehicles, office equipment, etc.)
- Revenue you expect to take in (accounts receivable)
- Expenses you expect to pay out (accounts payable)

Sales Plan

Lastly, you need to create a sales forecast. This section details projected total sales volume and where it will come from.

[Find out how to create a full sales plan in more detail.]

Appendices

Attach any supporting documents that are relevant to each section of your business plan.

These are some items business owners include in their appendices:

- Agreements
- Intellectual property (trademarks, licenses, patents, etc.)
- Resumes of owners and key employees
- Insurance policies
- Advertising/marketing materials
- Blueprints/plans
- List of equipment
- Market research studies
- Supporting financial documents
- List of assets that can be used as collateral