

Creating a Basic Business Plan

Because every business is different, there are many different styles of business planning out there. This outline is merely a simple version that will create the fundamentals of a business plan. Depending on the complexity of your business you may need to include additional information to your specific plan. There are 3 parts to a business plan, the Executive Summary, the Business Plan, and the Appendix. Plus you should create a cover page for professionalism.

Executive Summary – 1-2 pages (written last)

A good Summary will cover your entire plan in summary form (same as your plan without the details)

Business Plan – 6-9 pages

a) Company Profile (1 page or less, low priority)

This section focuses on who you are. It explains the concept of the business with statements such as your mission, vision, or values. It talks about your location and the culture you want to create in your business. It will also include your goals for your business.

b) The Product/Service (1 page, moderate priority)

This section focuses on what you are going to sell. You should list every major revenue stream of your business. Your business should have a primary source of revenue (your core competency) as well as secondary sources or future sources. You need to address inventory management and your supply chain. You should clarify your relative price point (how expensive your product/service is compared to the market) and remember that your product/service will define what market you are competing in.

c) Identify a Market Opportunity (1-2 pages, top priority) **support your claims with research and data*

Remember that you have no control over the market opportunity, so your goal is to identify the conditions that already exist. List your competition and their strengths and weaknesses. Rate in order of importance how your business will compete on:

- Price
- Quality
- Differentiation (innovation or uniqueness)

Define your potential target market and identify the market mediums that will *most effectively* reach this target. Use demographics and market area to know the size and scope and growth potential of your market.

d) Seizing this Market Opportunity (1-2, top priority) **support your claims with research and data*

What is your competitive advantage? Use your competitive advantage and the information from your market opportunity to create a **marketing strategy**. This is your “recipe for success”. Think of a gourmet recipe versus a basic recipe for the same dish. There is a significant difference in the subtle ingredients used. This is the same for your business

e) Management Team (1 page, top priority) **essentially a compilation of short resumes*

Create bios of every major player in this venture

Owners – list everyone who will have ownership in the company, their role, and their experience relative to this role

Key Employees – employees that don’t have ownership but do play a critical role in the success of this business

Advisors – Individuals who have only an indirect stake in the business but have an interest and expertise that will help the business

f) Financials (1 page in actual plan with full financials in appendix, medium priority)

Start-up expenses – All costs prior to launching

Breakeven point – The point at which sales less operating expenses cover the start-up expenses

Sales projections – Estimated sales growth forecasted monthly for at least 3 years

Appendix – this is the space for market research, full financials, resumes, reports, etc.