

CREATING A BUSINESS PLAN

COURSE OBJECTIVE:

To understand the purpose and importance of the Business Plan.

WHY IT IS IMPORTANT

Plots a course for your business.

Prepares you for your business venture.

Insures that each aspect of the Business has been researched and developed.

Provides a sales tool for Financing.

Provides you with a total understanding of your Business Venture and how it will run.

HOW TO DO IT:

Decide which sections will be included in your business plan.

Tackle each section separately.

It is important to write down what information you already know for each section-point form.

Analysis what information you are lacking.

Set out a plan for how you will obtain that information.

Fill in the missing information-form at first.

As each section is completed through out the course, have the compiled information.

Write your first draft—each section should be in paragraph form at this point.

Again, a consultant should evaluate this draft.

Make corrections and additions where necessary.

Submit final draft to be evaluated by your consultant.

“The process of planning is, in many ways, more important than the plan itself. It requires you to define what your company is and what it wants to be. It becomes the guideline, the framework, against which all your business decisions will be made. It is the tool by which you will monitor your activities and measure your company’s performance.

(On ”MANAGING THE ONE-PERSON BUSINESS” By Mary Jean Parson)

CREATING A BUSINESS PLAN

THIS IS ONLY A GUIDE.

There is no absolute right way to do a business plan

To be an effective and informative business plan, certain information must be included.
However, depending on the business venture the format may vary.



And let us not lose heart in doing good, for in due time we shall reap if we do not grow weary.

Galatians 6: 9

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EXECUTIVE SUMMARY

To include:

- * The purpose of the executive summary is to give the reader an overview of the Business.
 - * Brief explanation of the Business and Management team.
 - * Short and to the point explanation of the product or services offered.
 - * Specific information on the market and how it relates to your product.
 - * Summary of financial projection and request for money if being sought.
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COMPANY PROFILE

To include:

- * Form of business
 - Sole proprietorship, partnership, and corporation
 - * History and / or start date of the business.
 - * Business location.
 - * Classification of business
 - * Retail, wholesale, manufacture, service, other...
 - * Full time or part time bases.
 - * Business Advisors.
-

INDUSTRY TRENDS

To include:

- * Past - brief explanation of product history
- * How long has the product or service been in existence
- * Present – what is happening now in the market place.
- * Future - what developments do you see for the future. Why? Can you proof this?
- * Is the industry in an upswing/downswing
- * Show the development of the product or service.

PRODUCTS AND/OR SERVICES

To include:

THIS IS WHY YOU ARE IN BUSINESS PLEASE GIVE A DETAILED EXPLANATION OF WHAT YOU ARE SELLING.

- * What is your product or service
 - * One-of-a-kind
 - * Superior quality. Any Warranties or Guarantees?
 - * Service next to none.
 - * Uniqueness
 - * Do you have add on's
-

MARKETING PLAN --- TARGET MARKET

THIS IS WHY YOU ARE IN BUSINESS PLEASE GIVE A DETAILED EXPLANATION OF WHO YOUR CUSTOMER/CLIENT IS.

To include:

- * Who will purchase or use your product/service
- * Private Consumer Vs the Business Sector
- * Age, sex, socioeconomic background
- * Income levels
- * Buying patterns
- * Is there a large enough target market to support you product or service and generate a profit

MARKETING PLAN --- TARGET AREA

To include:

- * Local or regional
- * Provincial
- * National or international
- * Downtown vs. Suburbs
- * Residential vs. Commercial

MARKETING PLAN --- PRICING STRATEGY

To include:

- * Price to be charged for the product or service.
- * Low, medium, high-end prices range.
- * Market acceptance of your product.
- * Can you produce a profit at your selling price.
- * Will you be discounting your pricing on a regular basis.
- * Will you give trade or volume discounts
- * Break even analysis based on you fixed and variable costs

MARKETING PLAN ADVERTISING & PROMOTION

To include:

- * What methods will you use and why
 - Newspaper
 - Community Newspaper
 - radio
 - drop Mail
 - Direct Mail
 - Flyers/ Brochures
 - Trade Magazine
 - Association Publications
 - Networking
 - Business Cards
 - Word of Mouth
- * Other unique ways for your business to advertise
- * Cost analysis
- * Readership analysis
- * Distribution analysis
- * How will you determine your advertising budget
- * What is your yearly budget
- * Do an advertising action chart

COMPETITION

To include:

- * Your direct competition is....
 - * Your indirect competition is....
 - * What do you know of them...?
- Location – locally or nationally operated
 Is their operation close to yours?
 Their pricing strategy
 Servicing time and/or product availability
 Product comparison
 Length of years in business
 How to they advertise
 Has the industry grown over the past 10 years?

To determine a complete profile how you measure against your competition, you may want to use the S.W.O.T principle.

Name of Competitor	Strengths	Weaknesses	Opportunities	Threats

Competition Analysis

Below you can complete a listing of your competition with background information provided on the most prominent businesses.

Name _____

Address: _____

Telephone _____ Fax: _____ Years in Business _____

Number of Employees _____

Contact Person: _____

Main Products 1. _____

2. _____

3. _____

4. _____

5. _____

6. _____

7. _____

Additional Comment? _____

SUPPLIERS

To include:

- * Location
- * Terms and conditions of purchases
- * Contact person
- * Trade volume discount
- * Minimum order requirements
- * Jobber restrictions
- * Product availability
- * Shipping restrictions
- * Exclusive rights to the products

Below you can complete a listing of all suppliers required for start up with their respective products that you are interested in purchasing.

Name:

Address:

Telephone:

Fax:

Contact Person:

Terms:

Minimum order:

Product Line:

Name:

Address:

Telephone:

Fax:

Contact Person:

Terms:

Minimum order:

Product Line:

Name:

Address:

Telephone:

Fax:

Contact Person:

Terms:

Minimum order:

Product Line:

Name:

Address:

Telephone:

Fax:

Contact Person:

Terms:

Minimum order:

Product Line:

OPERATING REGULATIONS

To include:

- * Government Regulations
 - * Licenses
 - * Zoning by-law
 - * Should Patent, Copyright or Trademark be applied for.
 - * Import / Export Documentation
 - * Insurance Requirements
 - * Venders Permit
 - * Provincial and/or Association Fees
 - * Tendering Requirements
 - * Are all paperwork in place e.g. Invoices, Agreements/Warranties, etc.
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SCHEDULING REQUIREMENTS

To include:

- * Proposed business operational start date
 - * Outline first year of operation on a monthly time line
 - * Business peak and down times
 - * Influence from seasonal trends
 - * Influences from traditional trends – school year
 - * Lead-time required for ordering products
 - * Lead-time required for product promotion
 - * Expansion and meeting the demands
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MANUFACTURING PLANS (if you are classified as a manufacturer)

To include:

- Research and Development
- Prototype developed
- Market Test Performed
- Production Methods
- Cost Analysis
- Time Requirements
- Location
- Suppliers

HUMAN RESOURCES

To include:

- * Describe key management team
 - Who are they?
 - What are their qualifications and experience?
 - Compensation Package?
 - Performance evaluation in place?
- * Staff/Employees
 - Job description?
 - Contracts?
 - Ethics, Policy and Procedures manual?

FINANCIAL PLAN

To include:

- * Itemized listing of all start up costs – remember not to underestimate the cost for fixed costs.
- * Projected Sales figures – First year broken down monthly figures
 - Sales strategy based on your Surveys, market research and Industry growth rate
 - Seasonality and Promotional Sales
 - Sales charting
- * Projected expenses:
 - Cost of goods sold including freight and selling expenses
 - Advertising
 - All Fixed expenses covered?
- *Pro-forma statements:
 - Projected Balance Sheet
 - Projected Income Statement
 - Cash Flow Forecast –
 - First year –
 - Pessimistic versus Realistic
 - Second Year-
 - Quarterly projections

Since the Financial Plan can be quite a complicated process, it is recommended that you do the calculations with a professional accountant or with your coach/consultant. You need to be part of this process as this information is valuable to the overall management of your company. Even though there are no guarantees please remember that based on your market research and a detailed marketing plan, your financial projections will reflect a more accurate picture.