

BUSINESS PLAN TEMPLATE

**Before You
Start!**

- Endeavour to tell a compelling story about your business, explaining who, what, when, where, how and why.
- Make your plan, to be as focused and clear as possible.
- The plan should define specific business objectives and goals with general parameters to guide the organization.
- Writing a business plan should force logic and discipline into a business.
- A good business plan is a living document. It should be updated regularly.

FYI: It's not about the number of pages or style of the cover.

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I. TITLE PAGE

Your Company Name or Logo

Business Plan

Date

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OWNERS

Business name:

Address:

Telephone:

Fax:

Email:

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3. EXECUTIVE SUMMARY

- Write this section *last!*
- We suggest you make it 2 pages or less.
- Explain the fundamentals of the proposed business:
 - What will your product be?
 - Who will be your customers, who are the owners?
 - What do you think the future holds for your business and your industry?
- Make it enthusiastic, professional, complete and concise.
If applying for a loan, state clearly how much you want, precisely how you are going to use it, and how the money will make your business more profitable, thereby ensuring repayment.
- Make the reader want to learn more about your business

FYI: Include everything that you would cover in a 5-minute interview.

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4. COMPANY BACKGROUND

Mission & Vision Statement:

- What is your reason for?
- What is or are your company principle(s).
- What is your purpose?

Company Goals and Objectives:

- Where do you want your business to be?
- Objectives are progress markers along the way to goal achievement.

Business Philosophy:

- What is important to you in business?
- Who is your target market? (State it briefly here - you will do a more thorough explanation in the Marketing section).
- Describe your industry. Is it a growth industry?
- What changes do you foresee in your industry, short term and long term?
- How will your company be poised to take advantage of them?

Core Competencies:

- What factors will make the company succeed?
- What do you think your major competitive strengths will be?
- What background experience, skills, and strengths do you personally bring to this new venture?

Legal Form of Ownership:

- What is the corporate structure?
 - Sole Proprietor
 - Partnership
 - Corporation
 - Limited Liability Corporation (LLC)?
- Why have you selected this form?

FYI, Make sure to include all information about:

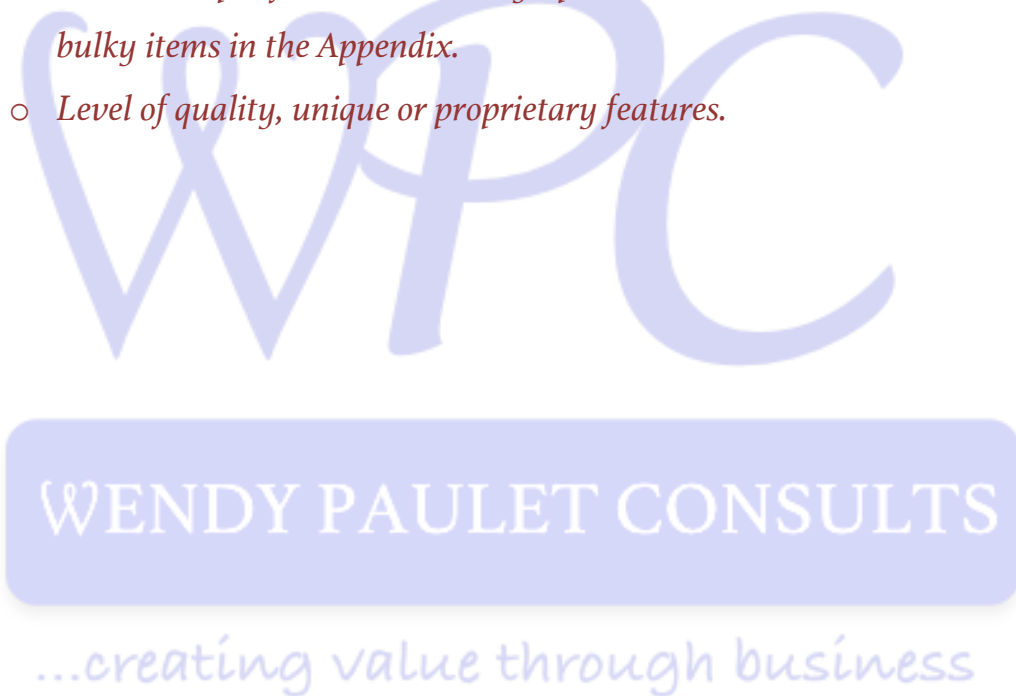
- *Who the business is and what it stands for.*
- *Your perception of the company's growth & potential.*
- *Specific goals and objectives of the business.*
- *Background information about the company.*

5. PRODUCTS AND SERVICES

- Specifically describe all of your products and or services.
- Explain why you have chosen to sell your product and or services.
- What factors and features will give you a competitive edge?
- What are the pricing, fee or leasing structures of your products and/or services?

FYI, make sure to include any additional information about:

- *Technical specifications, drawings, photos, sales brochures, and other bulky items in the Appendix.*
- *Level of quality, unique or proprietary features.*



6. MARKETING ANALYSIS

- Describe the trends in your business industry using different research methodologies.
- Analyse the critical needs of your perceived or existing market.
- Identify your target market and the trends.
- Provide a general profile of your targeted clients
- Describe what share of the market you currently have and/or anticipate having.

FYI: You can download market analytical tools [here](#)

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7. MARKETING AND SALES STRATEGY

- Identify and describe who your customers are.
- What is the demand for your products & services?
- Describe your channels of distribution.
- How will you reach your customers?
- Explain your sales strategy using the 7Ps of marketing mix (pricing, promotion, products and place, process, physical environment and people).

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8. MANAGEMENT AND ORGANIZATION

- Describe how your company is organized; you can use an organization chart, if available.
- Describe the legal structure of your business (proprietorship, partnership, corporation, etc.).
- Identify necessary or special licenses and/or permits your business operates with.
- Provide a brief bio description of key managers within the company.

FYI:

- *Include position descriptions for key employees.*
- *If you are seeking loans or investors, then also include resumes of owners and key employees.*

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9. FINANCIALS

If you are a new business, prepare the following:

- Estimate of start-up costs
- Projected balance sheet (3 years forward)
- Projected income statement (3 years forward)
- Projected cash flow statement (3 years forward)
- Breakeven analysis

If you are an existing business, prepare the following:

- Balance sheets (last 3 years)
- Income statements (last 3 years)
- Cash flow statement (12 months)
- Breakeven analysis

FYI, if you are applying for a loan, include:

- *Current personal financial statement on each principal*
- *Federal tax return for prior year*
- *Include all assumptions upon which your breakeven calculation is based.*

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10. APPENDICES

- 12-month Sales Forecast
- Personal Finance Statement
- Start-up Expenses
- 12-month Profit and Loss
- 4-year Profit projection
- 12-Month Cash Flow
- Opening Day Balance Sheet
- Breakeven Analysis
- Brochures & advertising materials
- Industry studies
- Blueprints & plans
- Market research studies
- Maps & photos of location
- Magazine or other articles
- Detailed lists of equipment owned or to be purchased
- Copies of leases & contracts
- Letters of support from future customers
- Any other materials needed to support the assumptions in this plan
- List of assets available as collateral for a loan

II. SPECIAL ADDITION

This business plan template presented above is generic and should be modified to suit your specific type of business and the audience for which the plan is written.

IF YOU ARE SEEKING TO RAISE CAPITAL FROM A BANK:

Bankers want assurance of orderly repayment so you should include:

- Amount of loan
- How the funds will be used
- How will the fund make the business stronger?
- Requested repayment terms.
- Collateral offered, and list of all existing liens against collateral

IF YOU ARE SEEKING TO RAISE CAPITAL FROM AN INVESTOR:

Investors are looking for dramatic growth, and they expect to share in the rewards. You should include:

- Funds needed short term
- Funds needed in 2 to 5 years
- How company will use funds, and what this will accomplish for growth.
- Estimated return on investment
- Exit strategy for investors (buyback, sale, or IPO)
- Percent of ownership you will give up to investors
- Milestones or conditions you will accept
- Financial reporting to be provided
- Involvement of investors on the Board or in management

IF YOU ARE INTO MANUFACTURING:

- Outline your planned production levels.

- Describe anticipated levels of direct production costs and indirect costs and how it compares to industry averages (if available).
- Prices per product line
- Gross profit margin, overall and for each product line
- Production/ Capacity limits of planned physical plant
- Production/ Capacity limits of equipment
- Purchasing and inventory management procedures
- New products under development or anticipated to come on line after start-up

IF YOU ARE A SERVICE PROVIDER

Given that you sell intangible products, you tend to have higher labour costs and generally very little in fixed assets. You should include:

- Description of the key competitive factors in this industry
- Your prices
- Methods used to set prices
- System of production management
- Quality control procedures in relation with the accepted industry quality standards
- How will you measure labour productivity?
- Percent of work subcontracted to other firms
- Will you make a profit on subcontracting?
- Credit, payment, and collections policies and procedures
- Strategy for keeping client base

IF YOU ARE A HIGH TECHNOLOGY COMPANY:

If you have to operate for a long time without profits and sales, we advise you seek venture capitalists. You need to show when profit take-off is expected to occur in a well-documented and well-argued assumptions. You should include:

- Economic outlook for the industry
- Information systems in place to manage rapidly changing prices, costs, and markets
- How you will be on the cutting edge with your products and services?
- The status of the company's research & development
- Requirements to bring product/service to market
- Requirements to keep the company competitive
- How the company will protect intellectual its property
- How the company will avoid technological obsolescence?
- How the company will supply necessary capital?
- How the company will retain key personnel?

If you are a Retail Business

- You should describe the company image and how it relates to:
- Pricing mark-up policies
- How prices would be profitable, competitive and in accord with the company image
- Inventory selection is consistent with company image.
- Inventory Level:
 - Find industry average numbers for annual inventory turnover rate (available in RMA book).
 - Multiply your initial inventory investment times the average turnover rate.
 - The result should be at least equal to your projected first year's Cost of Goods Sold.
- How customer service policies is competitive and in accord with company image
- Location:

- Does it give the exposure you need?
- Is it convenient for customers?
- Is it consistent with company image?
- Promotion:
 - The methods used
 - The cost
 - Does it project a consistent company image?
- Credit:
 - Do you extend credit to customers?
 - If yes, do you really need to, and do you factor the cost into prices?

FYI: If your inventory investment is not equal to your projected first year's Cost of Goods Sold, then you may not have enough budgeted for start-up inventory.

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