

COMPANY

# BUSINESS PLAN

TAGLINE: \_\_\_\_\_

Date: \_\_\_\_\_

Prepared By: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Website: \_\_\_\_\_



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EXECUTIVE SUMMARY

Length: 1 page

Topics: Summarize all of the parts below using the following formula!

Pain – 1 sentence

Solution - 1 sentence

Target market and product/service match – 1 paragraph

Uniqueness – 1 paragraph or 3 bullet points

Supporting market trends – top 2 trends in 2 sentences

Competitive analysis – 1 sentence

Marketing Plan – 1 paragraph

Personnel – 1 paragraph for all founders

Break-even, projected sales and income – 1 paragraph

Risk mitigation – top risk outlined in 1 paragraph

Vision and future goals – 1 paragraph

Funding request – 2 sentences (how much? and why?)



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## BUSINESS OVERVIEW

### THE OPPORTUNITY/THE NEED

Length: 1 short paragraph

Topics:

- What is the positive benefit that you directly are trying to create for your customer?
- What is the negative impact that you are directly trying to reduce for your customer?

#### **Example: Dog Walker**

Dog's are a man's best friend, but busy professionals who love dogs don't always have the time to dedicate to them.

Need more help? The business model is [Is There A Need?](#)

### THE SOLUTION

Length: 1 paragraph

Topic:

- What will fix the pain that was identified?

#### **Example: Dog Walker**

The dog walker will take care of dog's the way that they should be, which takes time and effort that the busy professional isn't always able to provide. This keeps the dog happier and healthier which is good news for any pet owner.

Need more help? The business model is [What's The Right Business Model?](#)



## BUSINESS DESCRIPTION

Length: ½ page

Topics

- What is your business' mission?
- Why are you in business?
- What is the purpose that your business is trying to achieve each day?

### Example: Hair Dresser

Quality hair cuts are provided to the local region which is a step above of what they expect. The business will provide hair cuts, dye, perms, and straightening. But other services to augment these will include:

- Massage and relaxation services
- Styling and dress advice
- Make-up consultancy
- Naturopathic and diet advice

These additional services allow the patron to leave ABC Hair Styling a completely new woman inside and out, keeping her on top of her game.

Need more help? The business model is [Full Offering](#)

## TARGET MARKET

Length: ½ page

Topics:

- Who is your customer? Who are you selling to? Describe your perfect customer here.
- Do you have more than one? If so, which is the best to go after and why?
- Do you have to adjust your product or service to better meet this specific target market? How?



**Example: Lawn Care**

Commercial facilities with 3 or more locations who want single billing, reliable service, and are willing to pay a small premium for higher quality service and less headaches. These would be busy senior property managers who have regular schedules visiting their buildings, meet at all of the Board of Director meetings, and are continuously on their cell phones.

These types of customers need things made easy and would like high quality service to ensure that no problems arise. No communication is actually a good thing.

Need more help? The business model are [Selecting A Target Market](#) and [Who Is Your Target Market?](#)

**UNIQUENESS**

Length: 3 paragraphs

Topics:

Pick the top 3 reasons why your company is unique and justify this.

- Quickest to market
- Innovative product development
- Most creative
- Well know brand
- Trusted brand
- Continuous improvement
- Cost effective
- On time service
- Closest location
- Fastest service
- Easier product or service to use
- Customer centric
- After sales support
- High quality components
- Experienced
- New process
- Patented or licensed products / services
- More...

**Example: Dentist**

Customer Centric. Everything that we do is for children. Our play area is 10' x 10' with the news video games, books, and hottest toys. Our dental assistants always offer 15 different flavours of florid, and not only give your children a toothbrush to take home, but an entire loot bag of dental treats and activities. Within the first 6 months



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of operation, there will be a large screen TV in every office on the ceiling so kids can watch while we clean.

Need more help? The business model is [Competitive Edge](#)

## VISION

Length: 1 paragraph

Topics:

- Where do you see your company in 3 to 5 years time?
- What is your ultimate goal?
- Do you have an exit strategy?

**Example: Small Business Solver Incorporated**

To be the most trusted small business consulting organization in the world by 2020.

Need more help? The business model is [Creating Your Vision](#)





## MARKET TRENDS

Length: 1 page

Topics:

List only the top 5 to 10 trends that really affect your business.

- What is happening in the industry?
- What is changing with the customer base?
- Are there any government, technology, or economic changes that will impact your product/service?

### **Example: Print on Demand Book Company**

The printing industry is suffering tremendous sales losses with the increase of internet readers and the development of other mediums. The introduction of new technologies such as the Kindle and the ability for iPhones to read books has diminished publishing house sales even further. The impact of video games and other forms of entertainment other than reading may also be an impact on book sales.

However, with these impacts, publishing houses are amalgamating, gaining strides in economies of scale and reducing their costs. This is making access to mainstream publishing easier for smaller companies to enter the marketplace and provide value added services to authors.

Need more help? The business model is [Risk Analysis](#)



## COMPETITION

Length: ½ - 1 page

Topic:

List the top 5 competitors that you have. Put them in a charge if possible of important ways to compare yourself to them.

### **Example: Dentist**

1. Other local dentists. They have long last relationships and their own clientele. Will compete directly with them by going after young families.
2. Other local dental surgeons. Will work with them on complex issues, but little involvement as working with younger clients rather than more complex cases.
3. Toothbrush & floss. Young families will require regular checkups for fluoride within the first few years when brushing and floss isn't enough.

Need more help? The business model is [Competitive Analysis](#)



## MARKET POTENTIAL

Length: 1 page

Topics:

- What are your sales projections?
- Why are these reasonable? And how are you going to make sure that you make these targets?

### Example: Lawn Care

A lawn care company realizes that they get summer contracts and this decision making is all done in early spring. Initial contact would have to be made in mid-February and follow-up until early April in order to secure new clients. All clients from the year before should be followed up with by the end of February.

Based on this plan and the effort involved, sales can be projected as:

Average revenue from each client = \$500/summer

Last year's clients: 100

Estimated return rate: 80%

Number of returning clients: 80

New clients mailed or visited: 300

Estimated conversion rate: 10%

Number of new clients: 30

Number of clients (returning + new):  $80+30 = 110$

Total estimated revenue =  $\$500 \times 110 = \$55,000$

Need more help? The business model is [Projecting Sales](#)



## MANAGEMENT TEAM

### MANAGEMENT

Length: 1 page

Topics:

- What are the main reasons why the owners or staff are going to help make this business a success
- Resumes at the back of the business plan

#### **Example: Print On Demand Book Company**

The owner, Tracey, of the Print on Demand Book Company has authored her own 3 children's story books and 1 novel. She understands what the customers want and is able to develop an attractive offering. In addition, her latest children's novel has sold over 50,000 copies, proving her ability to work with bookstores and understands how to properly market a book. Resume is attached in the Appendix.

### PROFESSIONAL CONTACTS / BOARD OF ADVISORS

Length: ½ page

Topics:

- Who is on your board of directors or board of advisors?
- How will this board contribute to the business' success?

#### **Example: Print On Demand Book Company**

The Print on Demand Book Company will have individuals from all aspects of the book industry based on Tracey's network.

1. The former VP of Marketing from Indigo books will be able to provide insight into best practices for marketing, covers, titles, and marketing expenditure through this channel.
2. The current Managing Director at TD Bank will bring a different perspective to the operation.

Need more help? The business model is [Finding a Mentor](#) and [Getting the Most Out of a Mentor](#)



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## INDUSTRY CONTACTS

Length: ½ page

Topic:

- Who are the other contacts within the industry who will contribute to the business' success?

**Example: Print On Demand Book Company**

Tracey's next door neighbour is the owner of a printing house that has been in business for over 20 years. This is a potential supplier which already has a foundation of trust and long-term positive relationship.

Need more help? The business model is [Find Good Suppliers and Partners](#)



## MARKETING PLAN

Length: 1-2 pages

Topics:

- How are you going to get in front of your customers?
- How much are you going to spend to do this?
- What is the plan of attack to do this?
- Is it mostly going to be sales or marketing? Or are you doing a combination?

### Example: Hair Dresser

People have long-term relationships with their hair stylists and are often resistant to change once they are comfortable with a particular location. The challenge will be to get new patrons to try the new location and then remain at it by exceeding expectations.

1. Visibility will be created through a local festival where demonstration hairstyling on stage will be part of the entertainment. Coupons with salon information will be provided with a 90-day expiration date. An A frame sign will be outside for walk by traffic and the local residents will receive \$10 off coupons for the first 90-days. Will also focus on having appealing and changing window displays.
2. Return rate and relationship building is critical. The store will always be kept clean. The service will include a free scalp massage when hair is washed. Incentives to return with specific timeframes will be provided, such as a 10% discount on the next haircut if the next appointment is booked before leaving.

Need more help? The business models are [Minute Marketing Plan](#), [Visibility](#), [Credibility](#), [Likeability](#), [30-Second Pitch and Cold Calling](#).



## OPERATIONS

### HOW IT WORKS

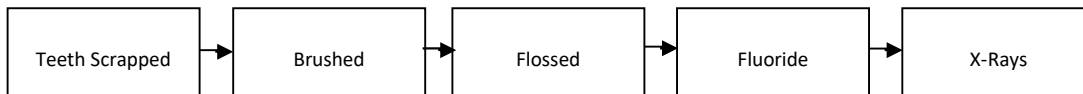
Length: 1 page

Topics:

- What does one sale look like?
- How do you actually do what you say you will do?
- Is there a development process?
- What is the layout of the physical location?

#### Example: Dentist

The dentist will have the standard operation for all of their clients that are having their teeth cleaned:



Need more help? The business model is [Customer Service Basics](#)

## PERSONEL

Length: 1 page

Topics:

- How many staff is necessary? What types?
- How are you going to find these people?

#### Example: Print On Demand Book Company



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The Print on Demand Book Company requires 2 staff.

*Owner:* Production and marketing. The owner will handle all of the corporate relationships, double check quality and the project timelines in conjunction with book launches and store availability. PR and promotional pieces will be coordinated with this individual.

*Editor/Graphic Work:* An individual with editing and writing background with minimal graphic design work for formatting and design is necessary. This person could start on a sub-contract basis.

Need more help? The business model is [Recruitment, Screening, and Retention](#)





## TARGET MILESTONES

### TODAY

Length: ½ page

Topic:

- What has been up to the current date?

#### **Example: Hair Dresser**

The hair salon currently has a location selected, however the lease negotiation is dependent upon a business plan and a line of credit. Currently market research has been gathered regarding the walk by traffic and the start-up costs for merchandising and store fixtures.

## SHORT TERM MILESTONES

Length: ½ page

Topic:

- What are the immediate next steps?

#### **Example: Hair Dresser**

The hair salon needs to:

1. Create a business name and formally start-up the company legally
2. Get a line of credit
3. Sign a lease
4. Begin marketing
5. Set up the store interior
6. Launch store

Need more help? The business model is [Short Term Goals](#)



## FUTURE PLANS

Length: ½ page

Topics:

- What is the business' 5 year plan?
- Are there other revenue streams that the business will eventually start selling?
- Is there a second phase of development?
- Are there other target markets that the company could consider in the future?

### **Example: Print On Demand Book Company**

The Print on Demand Book Company will look at launching the following other products within the next 3 years:

1. Online bookstore
2. Book writing services
3. Online graphic design work to help authors with illustrations

Need more help? The business model is [Action Plan](#)



## FINANCIALS

### PROFIT MARGIN

Length: ½ page

Topics:

- What is the average price of the product or service?
- What is the average cost that goes into a product or service?
- What is the average margin (price – cost)?

#### **Example: Dog Walker**

The dog walker charges \$12/hour and spends \$2 on doggie treats and baggies. The profit margin is \$10 (\$12-\$2)

Need more help? The business model is [Figuring Out Price](#)

### BREAK-EVEN

Length: ½ page

Topics:

- How much does it cost to start up the business before selling anything?
- How many sales have to be made to make this amount of investment back?

#### **Example: Dog Walker**

The cost of starting up the dog walking company is \$3000 including all of the flyers, a website, business registration, and business cards.

With the average profit margin per sale at \$10 (\$12 price -\$2 cost) then 300 walks have to be made to break even.



\$3000 start up / \$10 = 300 walks

Need more help? The business model is [Break-Even Analysis](#)

## PROJECTED INCOME STATEMENT

Length: 1 page

Topics:

- What are your revenue projections each month?
- What are your expenses each month?
- What is the projected income?
- Do you need to do this for multiple years? (3 to 5 year projections)

### Example: Dog Walker

Dog Walker is planning on walking:

10 dogs/day, 50 dogs/week, 200 dogs/month

Revenue	
\$12 each x 200	\$2400
Expenses	
\$2 each for supplies	\$400
Telephone	\$100
Website hosting	<u>\$50</u>
Total	\$550
Net Income	\$1850



Need more help? The business model is [Creating Your Financial Forecast](#)

## PROJECTED CASH FLOW STATEMENT

Length: 1 page

Topics:

- How much money will be in the bank?
- Does this fall below zero, and therefore a loan is required?

### Example: Dog Walker

The Dog Walker start-up costs are \$3000, which is required when the business first starts.

#### Month 1

Starting Balance = \$0

Cash In = \$5000 (owner's investment)

Cash Out = \$3000

Ending Balance = \$2000 (\$5000-\$3000)

#### Month 2

Starting Balance = \$2000

Cash In = \$500 profit

Cash Out = \$400 in expenses

Ending Balance = \$1900 (\$2000+\$500-\$400)

Need more help? The business model is [Cash Flow Management](#)



## FUNDING

Length: ½ page

Topics:

- How much money is required to get the business through all stages of development?
- How much money would be helpful?
- Is this equity or debt financing?
- What net worth is currently in the business?

### **Example: Dog Walker**

The dog walker will not require any financing directly, but must keep a close eye on the cash flow. Applying for a line of credit at the beginning of the business will help with any risk here.

Need more help? The business model is [Do You Need Investors](#) and [Contracts for Investors](#)



## RISK MITIGATION

Length: ½ page

Topics:

- What assumptions are being made that need to be tested?
- What could change that could cause a problem with this plan?

### Example: Lawn Care

- The summer could be very dry and the grass dries very slowly. This can be avoided by signing a contract for the entire summer.
- Natural products are looking at being legislated within the municipality. Green products should be investigated immediately and where there is little price difference, should use the green products from the start.

Need more help? The business model is [Assumptions](#) and [Risk Mitigation](#)