

Basic Business Plan Outline

The following outline is for a basic business plan, not a comprehensive plan, and is designed to help you get started on your plan. If you are interested in writing a more in-depth plan that focuses on the strategic planning and marketing of your business, please discuss it with your consultant.

REMEMBER: Each section needs to be written in paragraph form and not just answers to the following questions. A sample business plan follows this outline.

Cover sheet

The cover sheet includes the name of the business, business address, business phone number in the center of the page. Near the bottom of the page include your personal name (all principals), home address (primary contact), and home phone number (primary contact). Also, please include all email and fax numbers.

Table of Contents

The table of contents will be completed once the plan is written to reference each section by page number.

1. Statement of Purpose

This section explains why the plan is being written, and explains the sources of financing and a general statement of what they will be used for. It also give a general understanding as to the type of business, and if the business is a start-up, purchase, or on-going concern.

The Statement of Purpose should include the following information:

- Name of Business
- Whether the business is a start-up, purchase of an existing business, or already in business.
- The amount of owner injection.
- The amount of bank financing needed.
- A general explanation of what the investment will be used for.

2. Description of Business

The description of your business should clearly identify goals and objectives and it should clarify why you are, or why you want to be, in business.

The description of your business should include the following information:

- Why do you want to start (or did start) this business?
- Legal entity—sole proprietorship, partnership, C Corporation, S Corporation, etc.
- Any licenses or permits needed for business.
- Is this a start-up, expansion, or buyout?
- Type of business—retail, service, manufacturing, franchise, wholesale, construction, etc.
- When/Where will the business start or did start?
- When will your business be open (days, hours)?
- What your product or service is (in detail). What makes it unique or different? Is there a demand?
- What additional products or services will be offered in the near future?
- Who are your suppliers?
- What is your product positioning strategy?

3. Description of Location

- Where is your proposed location?
- Are you leasing or buying the location? What renovations are needed?
- If renting, what is your rent and what are the terms of the lease agreement?
- What are your location needs? Is there room for expansion if needed?
- What are the advantages and disadvantages of the location?
- What zoning regulations are there for this location?
- Is there adequate parking?
- How visible is the location from the street?
- How accessible is the location?

4. Description of Market

In this section, you provide the reader with information on the industry and your target market. If your research indicates that there is no market for your product, or that the industry is not strong enough to support a start-up, you should reconsider your business.

Description of Market is a component of your marketing plan and sets the stage for how you will advertise and market your business. The key element of a successful marketing plan is to know your customer--- their likes, dislikes, and expectations. This will help you to develop a marketing strategy that will be guided toward meeting their needs.

Industry Information

- What are the nation-wide industry trends for your chosen business? Is the industry growing or shrinking?
- How many dollars worth of goods/ services do companies in your industry currently sell?
- What is the long-term outlook for this industry (national and/or regional)?

Target Market Information

- Who, what, or where is your target market (define who your customer is)? What is the size of your target market?
- What is their demographic profile? (age, gender, population, income, education)
- Are businesses your target market? Then consider industry, size, purchaser.
- What is the geographic target?
- Who is your target market currently buying from? Why will they buy from you?
- Is there a demand for your product? If yes, how do you know there is a demand?
- What are the barriers of entry into this type of industry?

5. Description of Competition

- Describe your competition (at least top five).
- What are your competitor's strengths? Weaknesses? How does your business compare to theirs?
- How will competitors act towards your entry into the market?
- How will you respond to these actions?

6. Description of Marketing

- What type of marketing are you planning? (website, social media, newspaper, magazine, radio, billboard signs, brochures, flyers, business cards, etc.)
- Why are these marketing tools effective for your business?
- How will you measure the effectiveness of your marketing?

- Are there any organizations that you will be joining to help promote your business?

7. Description of Pricing and Sales Projections

- How are you going to price your product or service?
- How does your pricing compare to your main competitors?
- Are you going to have discounts or specials?
- What credit or payment terms do you plan to offer?
- What are your sales projections for the first three years? How does this compare to average sales per company in your industry?
- What are your projections based on? BE SPECIFIC!

8. Description of Management

The management section of your plan will describe all the key players in your business, along with information regarding support people. You will need to include a resume or outline of owner's (or owners') experience/background in the Appendix.

- Who are the key players and their experience/education? What will they be responsible for?
- Who will manage the sales or advertising?
- Who will handle hiring employees?
- Who will manage the daily operations of the business?
- What will the salary be for each member of management, including the owner?
- Will benefits (vacation, sick time, health insurance, 401K, etc.) be offered?
- Will you need to consult with an attorney, accountant, bookkeeper, and/or insurance agent?

9. Description of Personnel

- How many employees will you start out with?
- What skills will be needed?
- Will the employees be part-time or full-time?
- What will they be paid?
- Will benefits (vacation, sick time, health insurance, 401K, etc.) be offered?
- How many additional employees will be added over the next three years?

1. Application and Expected Effect of the Loan

In this section, you provide a breakdown of the sources of money used to start your business, and an explanation of what the loan will be used for. It also provides a general discussion of why certain expenditures are needed for the business.

2. Summary

A brief summary of the plan.

12. Financial Projections

Your financial projections are key, especially when seeking financing. The financials allow you to determine the financial feasibility of the business and provide a budget for you to follow once you start your business. Your assigned consultant can assist you in the preparation of your financial projections. Typical projections include:

- An assumptions page
- Balance sheets
- Income statements
- Cash flow statements
- Break-even analysis, if appropriate.

PLEASE NOTE: When going to bank of financing agency, you need to obtain quotes or copies of a catalogue for items being purchased. For example, a copy of a catalogue for the computer being purchased is sufficient as a quote. Also, equipment being purchased will need a quote from the supplier.