Add Your Business Name

Business Plan

Date

{Add Your Business Logo}

**OWNERS**

Address

City, ST ZIP Code

Telephone

E-Mail

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### Executive Summary

Provide a brief statement describing the fundamentals of your business. Include the name, legal entity, owners, and the product and/or service provided.

**Mission Statement:**

Many companies have a brief mission statement, usually in 30 words or fewer, explaining their reason for being and their guiding principles. These statements usually start with the word “To” and communicate the organization’s purpose to employees, customers, and other stakeholders.

**Company Goals and Objectives:**

Goals are destinations—where you want your business to be. Objectives are progress markers along the way to goal achievement. Objectives might be annual sales targets and some specific measures of customer satisfaction. Objectives should also have a specific timeframe.

**Target Market:**

Who is your primary and/or secondary customer base? Which consumer segment will provide you the biggest return on investment? Briefly mention information about their demographics, psychographics, and any geographic information that is applicable.

**Industry Overview:**

* What are some notable industry trends? Is the industry growing, stable, or declining?
* What changes do you foresee in the industry, short-term and long-term?
* How will your company be poised to take advantage of industry trends and changes?

**Competitive Advantage:**

* What do you think your major competitive strengths will be?
* What background experience, skills, and strengths do you personally bring to the business?

**Loan Request and Financial Summary:**

* State clearly the amount of money you are applying for.
* Precisely how are you going to use the money?
* How the money will make your business more profitable, thereby ensuring repayment?
* How much you are contributing to the business?
* What is the source of your contribution?

### Products and Services

**Product and/or Service Description**

* Talk about the specific product or service that you are selling. Discuss different features and benefits that are relevant.
* What are the problems that your product or service is solving?
* Why would customers choose to use your product or service?

**Values Provided**

Go back to the Value Propositions that were discussed in your BMC. What are some things that your customers are willing to pay for?

**Pricing Structure**

* What is your pricing strategy (includes price, fee, or leasing structure)?
* Do you charge a premium for quality or convenience or is your business taking more of a cost leadership strategy?
* Do you have transaction-based revenues, recurring revenues, or a combination of both?
* Do you used fixed pricing or have a dynamic pricing model?
* How can your customers pay for your product or service? How do they prefer to pay?
* Is payment due at the time the product or service is rendered, or will you offer credit to your customers?

### Marketing Plan

##### Market Research

Briefly discuss information about the area in which you’ll be conducting business.

* What is the total size of your market? What is the growth potential for your business?
* How does the location support your business model?
* What are the demographics of the location around your business?
* Briefly describe the market barriers or challenges you are likely to face and how to plan to overcome them.

##### Competition

Who are your major competitors? Will they compete with you across the board, or just for certain products, certain customers, or in certain locations?

Will you have important indirect competitors? (For example, a local coffee shop would directly compete with Starbucks and indirectly compete with Keurig).

**SWOT Analysis**

A SWOT Analysis is a compilation of your company’s strengths, weaknesses, opportunities and threats. This helps develop awareness of all the factors involved in making business decisions.

|  |  |
| --- | --- |
| **STRENGTHS*** **Internal Examination**
* What does your company do well?
* Qualities that separate you from your competitors?
 | **WEAKNESSES*** **Internal Examination**
* Things your company lacks
* What do your competitors do better?
* Resource limitations
 |
| **OPPORTUNITIES*** **External Evaluation**
* Emerging need for your products or services
* Current market trends and demand
 | **THREATS*** **External Evaluation**
* Competitive landscape
* Changing regulatory environment
* Changing consumer attitudes
 |

##### Consumer Segments

Who is your primary/secondary consumer base? Construct a demographic profile for each.

* Are you marketing to an end consumer or another business?
* What are some defining characteristics of your customers?
* What values are they seeking?
* What do they like?
* What do they need?
* Is this a small niche community or mass market?
* What type of relationship do they expect?

##### Branding

A competitive advantage for any business is their brand image. A brand is an identifying symbol, mark, logo, color, name, word and/or sentence that companies use to distinguish their product from others. How will you define your business to others?

* What message do you want to send to your customers?
* Develop a tag line that your customers will recognize.
* Develop a logo for your business.
* Develop a 30 second verbal pitch about the business.

##### Promotional Strategy

Use this section to outline your marketing strategy. You will want to take information from the Channels section of your BMC to help answer some of the following questions.

* How do you use the preferred channels to raise awareness about your company’s products and services?
* What media will you use? Why? How often?
* Are there any low-cost methods to get the most out of your promotional budget?
* How do you provide post-purchase customer support?
* Should you have a system to identify repeat customers and strategy to interact with them?
* How do you help customers evaluate your organizations Value Propositions?

### Operational Plan

##### Key Activities

This section you will describe the most important things you need to do for your business model to work. They are actions that are required to offer your value propositions, reach markets, maintain customer relationships and earn revenues.

* How and where are your products or services produced?
* What do your distribution channels require?
* What do your customer relationships require?
* What do you need to do to maintain and grow your revenue streams?

You may also want to consider looking in the Channels section of your BMC to discuss how you will deliver the value proposition to your customers.

##### Key Resources

This section you will describe the most important assets required to make your business model work. These can either be owned or leased by the company.

* Physical-includes tangible assets such as facilities, vehicles, machines, inventory
* Intellectual-includes things such as brands, knowledge, patents and copyrights, and customer databases
* Human-your employees can be a valuable resource for your company
* Financial-some business models call for financial resources and guarantees, such as lines of credit or stock options

##### Key Partners

Think about the business model canvas, and your key activities and resources. Talk about the network of suppliers and partners that you need to make the business model work. Are there any key activities that can be better performed by a partnership? Are there any key resources that you need from a strategic partner?

* Strategic alliances between non-competitors
* Co-opetition: strategic partnerships between competitors
* Joint ventures to develop new businesses
* Buyer-supplier relationships to assure reliable supplies

##### Location

What qualities do you need in a location? Describe the type of location you’ll have.

Physical requirements:

* Amount of space
* Type of building
* Zoning

Access:

* Is it important that your location be convenient to transportation or to suppliers?
* Do you need easy walk-in access?
* What are your requirements for parking and proximity to freeway, airports, railroads, and shipping centers?
* Include a drawing or layout of your proposed facility if it is important, as it might be for a manufacturer.

##### Legal Environment

Some industries may require additional considerations. Briefly describe

* Special licenses or permits required
* Special insurance coverage for your business
* Health, workplace, or environmental regulations
* Trademarks, copyrights, or patents (pending, existing, or purchased)

#####

### Management and Organization

Who will manage the business on a day-to-day basis?

What experience does that person bring to the business?

What special or distinctive competencies does this person have?

Is there a plan for continuation of the business if this person is lost or incapacitated?

##### Personnel

* Number of employees
* Type of labor (skilled, unskilled, and professional)
* Where and how will you find the right employees?
* Quality of existing staff
* Pay structure
* Training methods and requirements
* Who does which tasks?
* For certain functions, will you use contract workers in addition to employees?

##### Professional and Advisory Support

List the following (as applicable):

* Board of directors
* Attorney
* Accountant
* Insurance agent
* Banker
* Consultant or consultants
* Mentors and key advisors

###  Startup Expenses and Capitalization

You will have many startup expenses before you even begin operating your business. It’s important to estimate these expenses accurately and then to plan where you will get sufficient capital. This is a research project, and the more thorough your research efforts, the less chance that you will leave out important expenses or underestimate them.

##### Pre-Opening Expenses Breakdown

Explain your research and how you arrived at your forecasts of expenses. Pre-opening expenses can cover the purchase of land and buildings, equipment, pre-opening salaries, supplies, ect. If you need extra guidance, see the financial workbook found on the [East CO SBDC Resources](https://eastcoloradosbdc.com/business-resources/business-planning/) webpage.

##### Funding Proposal

If you are needing additional outside capital to fund the start-up of your business, you will need to think about the structure of your loan. It might also be helpful to discuss what you think your interest rate might be, as well as the term of loan, to determine an estimated monthly payment.

**Sources of Funds**

Explain in detail how much will be contributed by each investor and what percent ownership each will have. How much will you contribute to the business? What is the source of your contribution?

**Uses of Funds**

What will the loan be used for? You may have some of these expenses in your Pre-Opening Expenses Breakdown section.

### Financial Plan

Using a separate excel spreadsheet to forecast your projections, cash flow statements, balance sheets, and profit and loss statements can help a lender clearly see what you realistically except to accomplish within the given time frame. The benefit is also that many of the pages can be linked together, making calculations simpler and more accurate.

If you are seeking additional funding, you will also be required to complete a Personal Financial Statement. The SBA offers a [template](https://www.pdffiller.com/jsfiller-desk10/?projectId=391686316#445be61c55a74acebe4769e516dd865b) that any bank will accept.

##### Revenue Assumptions

Lenders want to know how you’re forecasting your sales projections. Use this section to talk about your revenue streams, and the assumptions that you used.

You may also have two different types of revenues:

* Transaction revenues – resulting from a one-time payment
* Recurring revenues – resulting from ongoing payments to either deliver a Value Proposition to customers or provide post-purchase customer support

How much does each of your revenue streams contribute to the overall income for your company?

##### Cost Assumptions

Using your BMC and financial projections, use this section to discuss any assumptions you made when determining your company’s expenses.

* What are the major drivers of costs?
* How do your costs relate to your revenue streams?
* What proportion of costs are fixed and variable?
* Is your company focused on cost optimization or value?

Promotional Budget

* How much will you spend on the items listed in your marketing plan?
* Before startup? (These numbers will go into your startup budget.)
* Ongoing? (These numbers will go into your operating plan budget.)

### Appendices

Include details and studies used in your business plan; for example:

* Personal Financial Statement
* Financial Statements and Projections
* Detailed lists of equipment owned or to be purchased
* List of assets available as collateral for a loan
* Copies of leases and contracts
* Blueprints and plans
* Brochures and advertising materials
* Industry and Market Research studies
* Maps and photos of location
* Letters of support from future customers
* Any other materials needed to support the assumptions in this plan