

### ***The Executive Summary***

The Executive Summary is a condensation of the entire business plan in a maximum of 6 - 8 pages. Here you should include a concise statement of your vision for the business (strategically), as well as the mission your business intends to undertake (tactically). Additionally, you should briefly describe your product or service and touch on your marketing, advertising, and promotions strategy. Next, present your sales revenue projections for a minimum of three years, and include a summarized Profit and Loss statement, including Gross and Net Revenue. Finally, outline the structure of your organization identifying key management roles, and provide short biographies of the management team.

### ***The Market Plan***

Primarily, the Market Plan includes a detailed demographic analysis of the market for which your product or service will be offered. Some business plans utilize third party demographic research reports that segment the market and identify customers by various factors, such as age, income level, geography, etc. Other business plans utilize the Market Plan as a place to explain why you think your business will be successful. Some of the questions that you want to answer in the Market Plan include:

- Who is your target customer?
- What differentiates your product or service from your competition?
- What value does your product or service bring to the customer?
- How are your plans for bringing your product to market different from your competition?

The important things to remember in writing the Market Plan is to clearly and precisely define your target audience, and to discuss the economic and social parameters that effect the market and flag any significant trends in your sector.

The competitive analysis is another important part of the Market Plan. Identify your five major competitors, and chart both their strengths and weaknesses. It might help you to state in a single sentence their Unique Selling Proposition to force you to understand their business model. Then clearly differentiate your own business approach from those of your competitors: better, different, new, etc.

Finally, you'll want to do a risk analysis. List the risks your business faces: typically these include competition, pioneering a new product or service that people don't understand and trying to stay afloat while developing a new market, business cycles and trends, slow times, your own areas of expertise, and cash flow. For each of the risks you identify, explain how you plan to overcome it.

### ***The Sales Plan***

In the Sales Plan you will describe in detail how you plan to sell your product or service. You will include descriptions of your advertising plan, your public relations plan, your promotions plan, and any other facet of the sales cycle. You will want to describe why you are confident that your sales methods and approach will be successful. Additionally, you want to explain all possible revenue streams that you intend to utilize, including (but not necessarily limited to): direct sales, Internet sales, telemarketing, strategic partnerships, OEM relationships, co-branding, etc. You'll also want to list your products or services and explain how you have gone about setting prices, both wholesale and retail.

### ***Organizations & Operations***

This section of your business plan details the organization of your company and the process and procedures regarding how you intend to operate your business. First in the Organizations section, you should include biographies of your management team. Then you'll want to create an organizational chart, outline job descriptions for key personnel, and explain staffing projections. Then, in the Operations section, you'll want to explain how you've created a team environment, and you'll want to include descriptions of the key functional areas of your business, such as Customer Service, Help Desk Services, Technical Support, Accounting, etc. For each, you'll need to provide a detailed description of how the department will operate and how you will manage the communication and interaction.

### ***Financials***

If you aren't preparing the business plan in order to obtain financing, you may not need to include as much detail. But remember, the analyses that you would do for a lender or venture capitalist are also vital to help you understand your own business.

These are the elements:

- Equity financing you'll be providing;
- Additional debt and equity financing you'll need;
- Projected sales revenue for three years - be specific and provide detail and assumptions;
- Break-even analysis to show at what point in time and sales volume the business will turn a profit. In order to conduct a break-even analysis you'll need four different estimates: 1) sales revenue, 2) fixed costs or overhead, 3) gross profit for each sale (the difference between the sales price and the cost of goods), and 4) the break-even sales revenue, that is, the dollar amount needed each week or month to pay for both direct product costs and fixed costs, not including any profit.

- Capital spending plan;
- Opening day balance sheet;
- Cash Plan Forecast – this is a month-to-month breakdown of costs versus expenses.

Your investors may require you to include your own personal financial statements, as well.

### **Appendices**

Most formal business plans also include several appendices such as resumes, patents, contracts, letters of reference, letters of intent, market research studies, logos, designs, etc. Some companies keep all confidential specifics about products or services in an appendix that can be separated from the main document for security and/or distribution purposes.

### **Sample Table of Contents**

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