



Business Plan Outline

207 Donald Street, Unit 100
Winnipeg, Manitoba R3C 1M5
Tel: 204.988.1860
Toll Free: 1.800.203.2343
Email: info@wemb.ca
Website: www.wemb.ca

The Business Plan Outline

A business plan is an essential tool for any business owner. Whether you are starting a new business, buying an existing business or franchise, or expanding your current enterprise, your plan is key to the success of your venture.

The real value of creating a business plan is not just in the finished product, but in the process of research, thought, and analysis that takes place as you develop it. The logical progression of information-based decision making will allow you to make all of your mistakes on paper, rather than out in the real world with your real money. As you analyze the data you collect, you will begin to develop a strategic outlook that will help you to frame all of your planning and focus on your most important objectives.

The logical planning process will enable you to better assess the viability of your potential business or enterprise expansion as you consider the financial implications of your tactical decisions in the final section. Since the plan is flexible and open to change, you can go back to a number of decision points to see where another direction might give you different and more successful, financial results.

The following outline will give you a good idea of the kinds of information you need to gather and decisions you need to make to get to that positive bottom line.

If you require more information about preparing your business plan or would like to meet with one of our business analysts as you move through the process, please visit our website at www.wemb.ca or call 204.988.1860 or 1.800.203.2343

Business Plan

Business Name

Owners' Name(s)

Street Address

Address 2

City, Province Postal Code

Telephone

Fax

E-Mail

Date Prepared:

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in the Word menu select References, Update Table, OK.]

Executive Summary

Write this section last.

We suggest that you make it two pages or fewer, and include everything that you would cover in a five-minute interview.

It should provide an overview and summary of the basic plan highlighting key details and information.

I. Introduction

a. *Name of your business*

b. *Your business concept*

- i. What will your business do?
- ii. Who will be your customers?
- iii. Do you have a business specialty or unique product?

c. *Your business basics*

- i. Business, legal structure, and ownership structure (sole proprietorship, partnership, corporation).
- ii. Owner's personal profile and experience.
- iii. Management team overview (skills, competencies, attributes that contribute to the business, potential responsibilities). Include other key service providers.
- iv. Support team overview (lawyer, accountant, bookkeeper, banker and/or other key service providers).
- v. Location.
- vi. Key benefits and features of your product or service.
- vii. If business has been in operation for any length of time, please give an overview of current position, activities and accomplishments to date.

II. Marketing Research and Analysis

a. *Industry and Business Environment*

- i. Identify the industry in which your business will operate and describe the overall marketplace.
- ii. Discuss the industry potential and trends.
- iii. Outline key external environment influences that may affect the industry.
- iv. Discuss the industry supply and demand.
- v. Identify the market potential for your product/service; is it stable, growing or shrinking?
- vi. Discuss the critical success factors for your industry and/or market place.

b. Competitors

- i. Who are your key direct competitors?
- ii. Who are your indirect competitors?
- iii. For each competitor, outline their strengths, weaknesses and the opportunities for your business to increase potential market share.
- iv. How will your business be positioned relative to your competition?
- v. Where are the potential niche opportunities for your business?
- vi. Compare your offerings to those of your competitors. What will differentiate your business? How is your product or service unique?

c. Customers

- i. Describe your potential customer base by their demographic profile (income, age, gender, geographical location, etc) Include information about their psychographic profiles (their values, opinions, attitudes, behavioral patterns, lifestyle, etc.)
- ii. Define the key buying decision criteria for each customer segment (convenience, price, quality, accessibility and trends)
- ii. Describe the needs of your customer. What need or problem do your customers have and how are you providing the solution?

d. Target Market and Segmentation

- i. What are your primary and secondary target markets and how are they segmented?
- ii. Describe the customer behaviour of your target market segment(s).
- iii. Describe the characteristics of the market in which you will be operating and the related challenges and opportunities they may present.

e. Research Findings and Conclusions

- i. Summarize any other key findings from your research that impact your strategic business development.

III. Marketing Strategy

a. Objectives

- i. What do you plan to achieve through your marketing efforts? These are your marketing objectives.

b. Positioning and Branding

- i. How will you position your company relative to the competition in terms of: product or service quality, product or service features, customer benefits, price range, product/service standards, location (if relevant), channels of sales or distribution?
- ii. What will your brand stand for and how will it be reflected by your business elements?

c. *Product or Service*

- i. Describe the product or service that you will provide.
- ii. List the features and benefits of your offering relative to your competition.
- iii. How will you define the core, actual and value-added aspects of your product or service?
core – the essential and basic need it fulfills
actual – the physical description of the product or the service outcomes (i.e. manicure)
value added – those elements that add value in the eyes of your customer that are part of your product or service offering.
- iv. How will you ensure that your product or service, in all its forms, will meet market expectations?
- v. How will the product or service be packaged/combined/offered to address the needs of various market segments?
- vi. Identify and discuss any warranties or guarantees which are included in your offering.

d. *Pricing*

- i. What is your pricing strategy? Is it based on cost, market value, competitive pricing, etc.?
- ii. How will marketing elements affect your pricing strategy? i.e. taking into account: competitors, position, cost factors, customer expectations, demand, etc.
- iii. How might your pricing structure reflect consideration of these elements?
- iv. What range of pricing will attract your target market?
- v. What is the customer perception of the value of your product or service offering?

e. *Communications Plan*

- i. What is your overall communications strategy and on what is it based? What kinds of messages are expressed in what way to which customer segments and why?
- ii. Describe how your corporate identity and marketing communications will reflect your image and overall communications strategy (including key messages).
- iii. Where and how would your target customer expect you to market your product?
- iv. What are the methods you will use to promote your products or services and how do they meet your communications objectives?
- v. What are your competitor's communications strategies?

f. *Sales Methods and Channels of Distribution*

- i. What is the best way to get your product or service to your customer?
- ii. What is your penetration strategy for getting to a majority of the target customers in your market place?
- iii. If your business requires a physical location, what are some of the key considerations that will affect where you locate?
- iv. How will your product be distributed?
- v. What sales channels will you utilize and express why they were selected and how they will facilitate the overall marketing process.
- vi. Who will be responsible for these sales initiatives? How will they be benchmarked to assess whether a particular mode is productive and profitable? Explain how your sales channels will facilitate the overall marketing process.

g. *Customer Service*

- i. Describe the key strategic components of your customer service strategy.
- ii. Outline how you will execute your customer service standards and procedures.
- iii. Provide details on how you will evaluate your customer service delivery system.
- iv. Describe the customer sales and payments terms that the business will offer.

- v. Identify how these terms compare to those of competitors.

h. Budget and Integration

- i. Outline the strategy behind your business launch. Include comments on goals, timing, duration and cost.
- ii. List each of the initiatives you plan to use and when. Define the goals for each element as well as the duration, timing, and cost. How will each of these initiatives tie into your business cycle.
- iii. What changes will you make to your marketing mix for the second and third year and why? What will your budgets for marketing activities be for the second and third year?
- iv. Describe how the various elements of your marketing strategy work together to maximize your marketing results.

IV. Operational Strategy

a. Systems and Processes

- i. Identify and describe what processes and procedures are needed to produce your products or services and to create value for your customer and clients.
- ii. Describe how your product is made or how your service will be delivered.
- iii. Outline your daily operating systems.
- iv. Discuss hours of operations and business cycles.

b. Pricing

- i. How did you arrive at the pricing structure for your products or services?

c. Equipment, Materials and Supplies

- i. Identify, list and discuss materials, inventory and supplies.
- ii. What is your capacity in numbers of products, dollars or hours?
- iii. Who are your suppliers? Why are you choosing them and what assurances do you have about their availability to have the goods you require at the right price at the appropriate time?
- iv. Discuss inventory management, average inventory levels and inventory turnover.
- v. What equipment needs will you have at start up?
- vi. Will you buy used or new equipment and have you researched the costs? Will there be an opportunity to upgrade or add equipment as the business develops and when might you do this?
- vii. What are your start up needs for computer hardware and software?
- viii. What point of sale system (POS) will you require, if any, to run your business? What capabilities must it have and what is the cost?
- ix. What are your initial technology costs and what might you add as the business develops?
- x. Will there be an opportunity to upgrade this technology if it will have a positive impact on your ability to create revenue? If so, when might you do this?

d. Location and Building

- i. On what basis will you make your decision on where to locate?
- ii. What is your intended layout? Will you require leasehold improvements?
- iii. What will your ongoing rent and common area costs be?
- iv. If you require physical inventory, how will you receive, store, control, maintain and manage your goods to prevent internal and external loss and keep track of your real inventory costs?
- v. Discuss key components of the location from a production/operational focus.
- vi. Discuss any other premises requirements such as type and size of building.

e. Human Resources

- i. Will you require additional human resources beyond your own labour and if so, do you have job descriptions, salary levels and recruitment options that you can build into your plan? Provide a detailed mock schedule outlining the coverage of labour.
- ii. Describe outside professional services that may be required.

f. Legal

- i. Are there any licenses or permits you require and what are the associated costs?
- ii. Are there any regulatory issues or potential environmental impacts that need to be addressed? Discuss business insurance and if appropriate, key person insurance requirements.
- iii. What is your legal form of ownership? If you are not intending to operate as a sole proprietor or in a partnership, what legal costs will you incur to incorporate your business? If you will have partners, what will be the legal costs of your partnership agreement?
- iv. If you require a lease, have you had the lease reviewed by an expert prior to signing?

V. Financial Plan

a. Introduction

- i. Provide a brief introduction to your financial projections.

b. Sales Projections

- i. What assumptions will you be using to compute your sales forecast for the first two years of business?

c. Start-up Costs and Financing Needs

- i. What are the financial requirements and capital purchases?
- ii. Outline the complete project costs.
- iii. If financing is required, summarize the amount of financing required and the use of funds.
- iv. List possible sources of financing including your own cash equity contribution.
- v. Comment on additional resources that may be available should cash flow be restricted or initial start-up overruns are experienced.

d. Forecasted Financial Statements

- i. Provide financial projections for a minimum of two years.
- ii. Provide detailed explanation and assumptions to support the details in the financial plan.

VI. Viability Analysis

- a. *Key Success Criteria*
 - i. Provide an overview of success criteria that are key to this business launch.
- b. *Risk Analysis*
 - i. Identify any significant risks that the company might face.
 - ii. Determine and plan contingency actions for each critical risk.
- c. *Viability Analysis*
 - i. Identify and discuss the profitability of the venture.
 - ii. Discuss how you will manage cash flow.
 - iii. Provide a brief summary of why your business will be a success.
- d. *Break Even Analysis*
 - i. Provide detailed break even analysis.

VII. Long Term Plan

- a. *Future Plans*
 - i. Where do you see the business going in the next three to five years?

VIII. Appendices

Attach information that you used to develop your business plan, such: as photographs or samples of your product(s), a sample of surveys conducted, copies of required licenses or permits, references, supporting charts or graphs, articles and key employee resumes, lease information, pertinent market research data, supplier lists, menus, premise plans etc.