



# Business Plan Template

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# Instructions

You can use this [business plan](#) template to create or update your business plan. It's broken into four main sections: the executive summary, description of the business, marketing and an appendix. There are also several subsections within each section, but you can add, delete or rename subsections as needed.

You'll find *italicised* text throughout the template that helps explain the purpose of each section. Replace the italicised text with your own descriptions, facts and figures to personalise your business plan.

Before you share your business plan with someone, you may want to have the person sign a nondisclosure or confidentiality agreement. Your business plan may contain valuable information, along with personal information about the business's owners or investors.

## Executive Summary

*The executive summary gives readers an overview of your business, goals and industry. It describes the products or services your business provides and how your business distinguishes itself from competitors.*

*The executive summary should identify your audience, ideal customer and the outlook of your company and industry. You could outline your company's specific goals for the coming year, three years and five years.*

*While the executive summary is the first part of your business plan, you may want to write it last, after you've done all the required research.*

*You can use the following subheads as an outline for organising your executive summary.*

## Highlights

*You can start with key business highlights. If you've patented a new idea, have positive customer reviews, already raised money or have personal experience in the industry, those might be highlights.*

*You could also add charts or graphics. For example, if you've launched your business and want to highlight growing sales or profits.*

## Objectives and Strategies

*What is your plan for making money and how much do you want to make within the first few months or years of business? Outline these goals, your plan for meeting them and how you'll measure your progress.*

## Vision Statement

*Your [vision statement](#) should describe what you want to achieve and what you want to offer your customers. It should be brief, easy to remember, inspirational, based on your personal values and focused on the future.*

## Mission Statement

*A [mission statement](#) that defines how your company will accomplish its vision. The mission statement explains what your business offers, how it does this and who it helps. It captures the overall value of your product or service. If your business follows its mission, it will achieve its vision.*

## Company Values

*These are key characteristics that describe your business. Your values outline how you want your company to be seen, how you want your employees to feel and be treated, and how you hope to affect your community.*

*Your own personal values may help drive your company's values. Some values to use as inspiration are: honesty, efficiency, reliability, commitment, sustainability, ethics, doing good, building community, open-mindedness and creativity.*

## Business Opportunity

*Identifying your [business opportunity](#) can help you plan for your business's future and show lenders or investors why your company will be a success. Ask yourself what problem you are solving with your company's product, service or store?*

*Define [the customers you want to reach](#). These are the people who want and can afford your product or service.*

*Also, describe your competition and what will distinguish your business from other companies that offer similar products or services.*

# Description of Business

*In this section, you can get more in-depth about specific parts of your business. You can expand on the information that's in the executive summary and provide more details about how (and who) will run the business.*

*The outline here is a suggestion for how you could organise this section, but parts won't necessarily apply to every business. For example, an online business won't have a location or opening hours.*

*You can also reorder the sections based on their importance to your business. If you open a supermarket or general store, the business hours and location are critical. However, if you're offering a unique product or service, the description of that product or service might come before the location section.*

## Company Ownership/Legal Entity

*Discuss whether you're starting a new business, buying an established business or expanding your current business. Also, indicate which [business structure](#), such as a sole proprietorship or limited liability company (LLC), you will use for the business.*

*If you have business partners, list the partners and what percentage of the business they own.*

*Some businesses need specific licences or permits. Describe those requirements for your company, the costs, the process for obtaining them and your plan for getting or keeping the proper licence(s) or permit(s).*

## Location

*For some companies, the physical location could determine if the company succeeds. Other companies may be able to thrive no matter where they're located.*

*In the location section, discuss the importance of location to your specific business. If you have a location, highlight the pros and cons of where you're located. You might describe how often potential customers walk by, how close you are to public transportation, nearby parking, what floor of the building you're on and the types of signs you can use to attract customers.*

*If you don't have a location yet, explain your ideal location and give examples of potential locations.*

## Interior

*Whether you run an office or retail store, the interior of your business can also be important to its success.*

*Describe your current or planned interior, whether it currently works well and plans for improvements in the coming years. You could also discuss how you're planning the layout of the interior to maximise the use of the space and increase productivity or sales. If it makes sense, highlight parts of your interior space that could distinguish your business from the competition.*

*If your business has specific requirements, such as a loading dock, kitchen or certain amount of space, also include those details in this section.*

*Write about whether you need special permits, licences or permission from a landlord for planned changes to a space and include your process and cost for completing the work.*

## Hours of Operation

*List what days and hours you'll be open. These basic details could be particularly important if you run a retail shop or seasonal business.*

*Some companies don't need to have regular hours of operation, which you could highlight as a positive aspect of your company.*

## Products and/or Services

*List and describe the products or services your company offers, why customers want them and how they benefit your customers. Also, describe how your offerings are different from the competition.*

*If you've created a new product, you could list its benefits to customers. Even if you're selling the same product or service as competitors, your offering could be different based on how you display the products, the price you sell it for or the customer service you offer.*

*For businesses that only sell products, or only sell services, you can delete the parts that don't apply.*

## Customer Service

*Whether you sell products, services or both, explain your approach to customer service. How will it help you attract and retain customers and how is it different from the competition?*

*If you have specific ideas about how you'll work with customers during a business transaction and plans for following up with customers after, highlight those here.*

*You might want to reference your company's vision statement, mission statement and values when discussing customer service.*

## Suppliers

*If you need to buy supplies from other businesses, list your suppliers and the financial agreements you have with each one. Consider using [environmentally sustainable suppliers](#) in your supply chain to contribute positively to the environment.*

## Key Management

*Describe the [company's management](#) and the experience that each person brings to the business.*

*You can add CVs for each person in the appendix and use this section to cover the key strengths of each business partner and manager. If you're the only owner or manager, this section might be focused on your experience.*

*You could highlight each person's:*

- *Experience owning, managing or growing a business.*
- *Experience in this industry and the connections they've established.*
- *Their responsibilities in the business.*
- *The particular skills they bring to the business.*

*If your company has non-management employees, discuss who is responsible for hiring and managing the employees, the training you provide and the company benefits or incentives you'll offer employees.*

## Financial Management

*Explain how you're going to run the financial aspects of your business, such as:*

- *Your [budget](#) and [savings plan](#).*
- *Whether you'll [borrow money](#). If yes, how will you borrow money and how will you repay the loans. If you've already borrowed money, list your current loans and loan terms.*
- *What types of [payment you'll accept](#) from customers, such as cash, cheques or credit cards? Explain your reasoning if you've decided not to accept a common payment type.*
- *How you'll manage the month-to-month business expenses while planning for long-term success (i.e., [cash-flow management](#)).*

*This section can be an overview of these points and then you can include more details in the appendix, such as a list of your startup expenses, income projections and other finances.*

*If you already know what type of [accounting systems](#) or software you'll use, you can discuss the pros and cons of those particular choices.*

Similarly, if you sell products, you could include the [inventory systems](#) or software you'll use to track and manage your inventory.

## Startup/Acquisition

If you're purchasing an established business, discuss the process and timeline for the purchase. If not, you can delete this subsection.

## Marketing

Whatever your budget and no matter how in-demand your product may be, you'll still need to reach new customers and get them interested in your offerings. Luckily, there are many ways you can attract customers even on a limited budget.

The [marketing section](#) covers your ideal customers, the overall market for your product or service, your competitors and the factors that distinguish your business.

## Market Analysis

Describe your [target customer](#), the person who most wants and can afford what you're selling. Also, try to determine your total market potential — the number of people who could potentially become customers.

Then, discuss:

- Is the total market growing or shrinking?
- What percentage of the total market can you turn into customers?
- How will you reach your target customers?

If you're offering something that's brand new, also discuss how you know there's a market. What types of research have you done to prove that there's a demand for what you're selling?

This could be a good place for a visual, such as a chart that shows the growth of the total market, the growth of your target customer population and the increase in business sales as a result.

## Market Segmentation

One of the most important first steps to understanding the market is knowing your customers. You could start by organising your current or potential customers — your target market segments — into different groups based on things they have in common.

The characteristics could be based on demographics, such as age or marital status, or behaviour, such as whether they prefer to shop online or in stores. Discuss which



*characteristics you're using to create market segments, and why it makes sense to use those characteristics when targeting your potential customers.*

*You could also create a visual to show the total potential market and how it's broken up by your major market segments.*

## **Competition**

*Get familiar with other vendors or companies offering a similar product or service. If you have a physical store, you may want to list the closest competitors in the area.*

*Try out the competition's offerings, look at their packaging, visit their website and research their mission and vision statements, if they have them. How are their products, services and approach to selling different from yours? If you were a customer, whose product would you buy and why?*

*Use this insight to describe how you will be different from the competition and why customers will choose your business over a different one.*

## **Pricing**

*Consider how your [pricing strategy](#) will impact your sales and your business's ability to pay expenses and make a profit.*

*There are various pricing methods that can help you attract customers and boost sales. A few pricing strategies include:*

- *Cost-plus pricing – Calculate your costs and add a markup.*
- *Competitive pricing – Set a price based on what the competition charges.*
- *Loss leader – Sell your product at a competitively low price to attract customers who may buy other more profitable products.*
- *Odd value pricing – Sell products for £.99 instead of £1.00. Some customers view odd value prices as being more attractive.*
- *Price skimming – Set a high price and lower it as the market changes.*
- *Penetration pricing – Set a lower price to enter a competitive market and raise it later.*

*Discuss the pricing strategies that your competitors use, the strategies you use (or plan to use) and how the final prices compare. Also, discuss how you will track prices and make sure they're high enough to cover your business expenses but low enough to attract your target customers.*

## **Advertising and Promotion**

*Whether through printed or online materials, [marketing](#) is an essential part of running a successful business and a great opportunity to stand out from your competitors.*

*Advertising is one aspect of marketing. While marketing is the overall approach to speaking to customers about your brand, advertising is usually a paid form of messaging designed to lead to sales. Advertising can be short-term or ongoing but usually requires a financial investment.*

*Promotions are another aspect of marketing. Promotions can increase sales by letting people know about your products or services. A promotion can last for a limited time, enticing customers to act quickly or miss out, or they can be longer term.*

*Discuss which advertising or promotion methods you plan to use, such as online advertising, mailing, printed flyers or free samples. If you've already done research or tested these methods, discuss the results and the improvements you've made or plan to make. If not, discuss your plans for tracking results.*

## **Strategy and Next Steps**

*In the final section, you can summarise your strategy for opening your business and putting your marketing plan into action.*

*If you're new to business, you could list the [steps you need to take](#) before you can open your business. If you're currently running a business, you could list the next steps you need to take to grow the business.*

*You could also list your top three to five goals and describe how you'll achieve each goal.*

# Appendix

## Budget

*A budget is a tool to track when and how you earn or spend money. It allows you to oversee and better understand whether your business has enough revenue (incoming money) to pay its expenses.*

*[Create a budget](#) and include a copy in your business plan. If you haven't started the business yet, include your projections for how much money you'll need to start and run the business and how much you expect to earn from sales.*

## Startup Expenses

*(for new businesses only)*

*Starting a new business can require a large initial investment. You may need to pay to register your business, hire professional solicitors to draft your contracts, secure a location and purchase a variety of supplies. List each of these expenses, and the total amount you'll need to spend in order to get your business ready to take on customers.*

<b>Expense</b>	<b>Amount</b>
Business Licences and Permits	\$
Registration or Incorporation Expenses	\$
Professional Services	\$
Initial Labour Costs	\$
Salaries	\$
Software	\$

Insurance	\$
Rent	\$
Construction/Repairs	\$
Advertising	\$
Opening Inventory	\$
Required Equipment:	\$
Item 1	\$
Item 2	\$
Item 3	\$
<i>Total Equipment</i>	\$
Additional Expense 1	\$
Additional Expense 2	\$
Additional Expense 3	\$
<b>Total Initial Expenses</b>	\$

## Sales Forecast

*Make an educated guess about how your sales will increase in the coming months and years. You can base your estimates on your past results and what you learned when researching your competitors.*

*Be sure to separate out different types of sales, such as each product or product line. Also, include the cost of goods sold for each type of product. These are the direct costs related to creating and offering the product, including the cost for the raw materials along with the labour costs for the product and sales (but not indirect labour costs).*

*You can present your findings as a chart, table or another type of illustration to make it easier to understand. If you want to use a spreadsheet, you can use this [sales forecast template](#).*

## Cash Flow Projection

*A business's [cash flow](#) shows how much money is coming into, and leaving, the business each month. A cash flow statement will look back at a chosen period of time to show a business's historic cash flow. It's one of the main three financial statements, along with the profit and loss statement and balance sheet.*

*However, in a business plan, you'll want to include your projections for the business's cash flow in the future. You'll have to make guesses about the sales and expenses to create these projections. You can use numbers from your expense budget and sales forecast to create your cash flow projection.*

*You can use the [cash flow projection](#) template to input all the numbers and create the cash flow projection for your business plan. The template has space for up to 12 months of projected operational cash flow — sales and expenses from the company's main business activities.*

## Profit and Loss Statement (and Projection)

*The profit and loss statement can give someone insight into how the business has done over a period of time. It's also called an income statement, revenue statement or P&L.*

*You can use this [profit and loss statement template](#) to create a profit and loss statement for the business plan. This will show the business's historic profits and losses.*

*You can also use the template to create a projected P&L and show estimates for your business's profits and losses in the upcoming months or years.*

## Balance Sheet

*A balance sheet shows a business's current assets and liabilities, it's like a snapshot of the business's financial situation at a specific point. You can use this [balance sheet template](#) to create a balance sheet for the business plan.*

## Milestones

*You can create a list of major business goals with the estimated date for when you'll finish each one. For example, paying off debt, becoming profitable or hiring a first employee. You can present this information as a list, timeline or chart.*

## Break-Even Analysis

*A break-even analysis can help determine when a business will become profitable. If your business is already profitable, you could include an analysis of your main products or services to show how much money you make from each one relative to the cost of selling the product or service.*

*You can use this [break-even analysis template](#) to create a break-even analysis for the business plan. The template is designed to find the break-even points for a single product or service. However, if you combine all your products and services and consider the total one "unit", you can use it to analyse your overall business and find the break-even point for the company.*

## Miscellaneous Documents

*You may want to include a wide variety of additional documents with your business plan. These can vary depending on who you're sharing your business plan with — whether it's a potential investor, business partner or a friend who will give you feedback.*

- *A CV and contact information for each owner or executive*
- *Business and personal credit reports*
- *Business and personal tax returns*
- *Contact information for the business's solicitor and accountant*
- *Copies of leases and rental agreements*
- *Copies of permits and licences*
- *Letters of reference*
- *Current business contracts*
- *Positive press coverage of the business or owners*