

Preparing a Business Plan

To grow a better, smarter, stronger business

BEFORE starting your business plan...

You might ask yourself, is this plan my opinion or is it based on solid research? Before writing a business plan, consider doing thorough market research to determine the viability of the idea and to get an understanding of how your business idea would play out. Good competitive, customer and financial research can shed a whole new light on your idea.

Community Futures South Fraser offers FREE Market Research Workshops. Contact us today to register.

*If you don't have a business plan,
it's like going to an unknown destination without a map.*

Jennifer Lee

Not sure what a professional business plan should look like?

To create a professional business plan that gets results you must capture the reader's interests and be thorough. You need to answer potential questions before they are asked. Identify your strengths and weaknesses with a SWOT Analysis and do your market research by defining your target market, identifying your ideal customer, and identifying your competition. Remember, a business plan is not just written to increase your chances for funding. It will be your predictions and assumptions about what you think will happen, based upon the information your market research will reveal.

A business plan is a road map to guide you in the set-up, growth and continued success of your business. It is a view of the future potential of your business based on past and present market conditions. It is a process of gathering information to help you to focus on your destination, and how you will get there.

The more clearly you understand the present – what is going on NOW in your industry and marketplace, the more accurately you can make logical assumptions about what may happen in the future. By writing a business plan, you can evaluate risks and rewards, opportunities and possibilities, obstacles and challenges, preparing you for whatever comes in the future.

The business plan is a planning tool that will be reviewed and revised as you gain more experience and information.

The Most Effective Business Plan:

- Must be easy to read.
- Should be written in the third person. Try not to use I, me, we, our or myself.
- Ensures that all numbers quoted are consistent throughout the business plan.
- Includes all items discussed in the narrative of the business plan, which affect income and expenses in the financial statements.
- Is checked for spelling and grammar. The Business Plan has been proofread by an independent party, before submission.
- Includes numbers on all pages in the business plan and page numbers in the Table of contents.
- Indicates complete address, phone number, fax number and email address on the cover page.

Business Plan Checklist

SECTION 1	Cover Page / Table of Contents / Executive Summary
	<p>Even though the executive summary is the first section, you should write it after you have completed everything else. The executive summary is a very crucial part of your business plan. This is where you must get your reader's attention. It is your opportunity to convince potential lenders or investors that you have a great business idea that is viable. You want to introduce yourself, your business, the market and your products and services. It should be short and concise (no more than two pages) highlighting the key points you have made throughout your plan.</p>
SECTION 2	Business Description
	<ul style="list-style-type: none"> <input type="checkbox"/> Legal ownership structure – Sole proprietorship, partnership, corporation <input type="checkbox"/> Vision / Mission statement <input type="checkbox"/> Business concept <input type="checkbox"/> Products /services you will provide <input type="checkbox"/> Unique selling points <input type="checkbox"/> Company core values
SECTION 3	Marketing Plan
	<ul style="list-style-type: none"> <input type="checkbox"/> Definition of your industry <input type="checkbox"/> Marketing strategy – Product / Services / Price <input type="checkbox"/> Outline your potential customers <input type="checkbox"/> Who are your competitors? How do they compare to you? <input type="checkbox"/> How do you plan to advertise and sell your product? What is the cost? <input type="checkbox"/> Image and branding <input type="checkbox"/> Key market trends <input type="checkbox"/> Target markets <input type="checkbox"/> SWOT analysis
SECTION 4	Operational Plan
	<ul style="list-style-type: none"> <input type="checkbox"/> Organizational structure <input type="checkbox"/> Owner / Management <input type="checkbox"/> Key personnel – Include essential skills required <input type="checkbox"/> Location of business <input type="checkbox"/> Licensing and permit requirements <input type="checkbox"/> Insurance requirements <input type="checkbox"/> Operating procedures required to produce your product/services <input type="checkbox"/> Who will be your suppliers <input type="checkbox"/> Inventory <input type="checkbox"/> How do you plan to manage potential problems that may arise?

SECTION 5	Financial Plan
	<ul style="list-style-type: none"> <input type="checkbox"/> Statement of Owner's Investment <input type="checkbox"/> Start-up costs and capital <input type="checkbox"/> Personal monthly financial needs <input type="checkbox"/> Sales projections. Total estimated monthly business revenue for the first year, quarterly income for the second and third year <input type="checkbox"/> Projected assets and liabilities <input type="checkbox"/> Cash Flow projections <input type="checkbox"/> Potential funding sources and where you allocate those funds
SECTION 6	Implementation Plan
	<ul style="list-style-type: none"> <input type="checkbox"/> Estimated time to reach your goals and objectives <input type="checkbox"/> Environmental policies / initiative <input type="checkbox"/> Business contributions to the community
SECTION 7	Attachments
	<p>Attach all documents, agreements and references that support your business plan:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Resume of owner and all key individuals in the business <input type="checkbox"/> Proof of equity <input type="checkbox"/> Licenses and permits <input type="checkbox"/> Contract agreements <input type="checkbox"/> Equipment and inventory <input type="checkbox"/> Lease agreements <input type="checkbox"/> Funding applications

Once you complete your business plan, review each section thoroughly.

