

1. Executive Summary

An executive summary, sometimes called a plan summary, allows prospective lenders and investors to quickly decide if they want to examine the entire plan in detail. Therefore, your objective in the executive summary is to convince them to study the plan further. Although an executive summary appears first, it should be the last part you write and should not exceed two pages. The summary should briefly highlight the key elements of your business plan and include the following points:

- A brief history of your business or business concept
- A description of your products or services with emphasis on their distinguishing features, the market needs they will meet, the market potential and assessment of the competition
- How the products will be made or services performed
- An outline of your management team's experience and talent
- A summary of your financial projections and
- How much money you are seeking, in what form, for what purpose and how it will be repaid.

2. Mission/Vision Statements and Goals

Mission and vision statements as well as goals is your company's purpose for business.

A. Mission and Vision Statements

The vision/mission statements are clear summaries of where the business is headed. It describes what the business produces, who the products are produced for, and unique business characteristics. It will reflect the values of the management team and the type of business culture you are trying to create.

B. Goals and Objectives

What do you want your business to achieve? Be specific in terms of financial performance, resource commitments (time and money) and risk. When will various milestones be achieved?

C. Keys to Success

What do you need, or must happen, for you to succeed?

3. Company Summary

The purpose of this part of the plan is to provide background information on your company, and to describe the condition and prospects of your industry. The following points should be covered.

A. Company Background

- What does your business do?

- Who were the founders of the business?
- Who are the primary stakeholders in your business?
- Describe the legal form of your company, such as partnership, proprietorship, or corporation.
- Do you need special permits to operate, or a record for inspections? If you do, please describe them.
- What were the important milestones in the development of the business?

B. Resources, Facilities and Equipment

- With what do you produce your products or services?
- What are the land, equipment, human and financial resources and who provides them?
- How are resource providers rewarded?

C. Internal Analysis

- What are the strengths and weaknesses of your firm?
- What are the relative strengths of each enterprise or business unit within the firm?
- What are the core competencies (things you are doing better than others) of your firm?
- What things can you build on? Think only about the things that you can control.

Suggested areas to consider:

- Knowledge and work
 - Financial position
 - Productivity
 - Family
 - Lifestyle
 - Location
 - Resources
- What enterprise or business unit should be exited?
 - What enterprise or business unit shows promise?

D. Industry Analysis

- Briefly Describe your industry (e.g., restaurant, construction, executive recruiting, etc.).
- What is your place within your industry?
- Who are your principal competitors and how are they performing (e.g., growth in sales, profits, market share)?
- Analyze the effects of major economic, social, technological, or regulatory trends.

E. Social Responsibility

- What environmental practices do you follow?
- What procedures do you use for handling chemicals?
- What noise/dust/timing/odor policies do you have?
- What will be the roles of management and employees in community organizations?
- What will be your involvement at the local/state/national level in commodity organizations?
- What training and new employee orientation practices will you offer to insure proper handling of hazardous materials and safe operation of equipment?

4. Product or Service

In this section you need to thoroughly describe your product or service, along with any proprietary features and future development plans.

- Describe the products and services you plan to sell.
- If applicable, describe the nature and extent of research and development work that must be accomplished before your product or service is placed on the market.
- How is your product or service unique?
- Are you producing a commodity or a differentiated product?
- How does your product or service compare to other products on the market in regards to Quality? Price? Location?
- What experience do you have with this product/service?
- Describe any patents, copyrights, and any other proprietary features.

5. Market Analysis

This section and the “Marketing Strategy” section are generally the most difficult parts of the business plan for an entrepreneur to develop. It is here that you show how you plan to turn your idea into a product or service that people will want to buy. Your objective is to convince lenders or investors that:

- There is a market need for your product or service
- You understand the potential customers’ or clients’ needs, and your product or service will meet such needs and
- You can sell your product or service at a profit.

A. Examining the General Market

- How is the market characterized?
- Are there clear segments in the market? Describe them.
- What important customer need(s) is the market not currently fulfilling?
- What is the growth potential for each segment of the market?
- What opportunities and threats does your firm face?
- What does an analysis using the Five Forces model suggest about your industry? Who is your competition (in light of the Five Forces)?
- What trends, relevant to your business, do you see?
- What are the drivers of change?
- What political and legal issues do you face, such as zoning, environmental laws, inspections, etc?

B. Customer Analysis

- Who will be your customers?
- What do you sell to each of the customers?
- How does your product/service solve a key customer problem?
- How difficult is it to retain a customer?
- How much does it cost to support a customer?

6. Marketing Strategy

The purpose of this section is to provide projections of sales, market share and target market(s), and to support your belief that your marketing plan will achieve projections.

A. Product

- How will you produce your product?
- What value will you create and capture with your product?
- What is your competitive advantage?
- What technology will you use, i.e. reduced tillage, GPS systems, etc.?
- What processes will you use to produce products?
- What growth options will you use to develop the business unit?
 - Enterprise Expansion
 - Replicate
 - Integrate
 - Network
- What is the anticipated timeline?
- Are you a qualified supplier for a specific processor or buyer?
- On what do you base a decision to buy products or services? Price? Quality? Convenience? Extra service? A combination?
- By what venue will you find suppliers — local dealer, Internet, direct from manufacturer, etc.?

B. Place

- Describe the location of the business and the advantages and disadvantages of the site with respect to labor and material costs and availability, proximity to customers, access to transportation, state and local laws (including zoning), and utility costs.
- Describe the physical facilities in use or to be acquired (leased, purchased or built) and the costs and timing of such acquisitions.

C. Price

- What is your annual sales volume in dollars and units?
- How much does it cost to produce and deliver your products and services?

- What prices are to be charged for your product or service?
- How do your prices compare to major competitors?
- Discuss your service and warranty policies and your methods for handling service and warranty problems.
- What is your sales plan?

D. Promotion

- How will you generate awareness of your product?
- What advertising and promotion will be used to increase sales/awareness?
- Where will you sell products/services?
- Will you use the open market or contracts?
- Do you have a preferred market outlet?
- What are the estimated percentage total expenses that will be allocated to the promotion of your product or service?
- When are these expenses likely to be incurred?

7. Management and Organization

The experience, training and talent of your management team is very important, particularly if you are seeking equity financing. Generally, venture capital firms will conduct a complete reference check of each member of your management team.

A. Structure

- Who is currently on the management team?
- How have management responsibilities been divided among the management team?
- What are the lines of authority?
- Who acts as the president/CEO? spokesperson? Chief Financial Officer?
- Who determines employees' salaries and conducts performance reviews?
- What is the educational background of the management team members?
- What is the management team's reputation in the community?
- What special skills and abilities does the management team have?
- What additional skills does the management team need?
- Who are the key people and personnel that make your business run?
- Who do you go to for advice and support?
- Do management and employees have avenues for personal development?
- Sketch a diagram of lines of authority for your operation.

B. Resource Needs

In order to effectively organize your business you need to insure the resources are available. Assess those needs here.

- Human
 - What skills are needed?

- How will human resources be acquired?
- Financial
 - What level of financial resources will be needed?
- Physical
 - What type, quantity and quality of physical resources will be required?

C. Performance Standards

- What performance standards will be used to monitor this enterprise or business unit?
- What are acceptable performance standards?
- What yield or output levels could you attain?
- What efficiency levels will you reach?
- What procedures will be used to monitor performance?
- Who is responsible for monitoring performance?
- What industry benchmarks will be used to assess performance?

7. Financial Plan

The amount of financial information needed in your business plan will depend on the stage of financing, the amount of money needed, and the nature of financing being sought. Generally, the amount of information required will increase as the amount of financing requested increases, as it will when equity (versus fully collateralized) lending is requested.

Your business plan should describe, in general terms, the type and amount of funding you are seeking. Also, information on your firm's present financial status (include current financial statements if your firm is already in operation) and financial projections must be included.

A. Financial Projections

- How will you fund the business?
- What is your desired debt and equity position?
- Who will provide capital debt funds?
- What role will leasing play in your financial strategy?
- Will you use outside investors for equity capital?
- How will you manage the financial risks your business faces?
- What operating procedures, such as developing cash flow budgets or spending limits, will you have to ensure adequate money for debt repayment?
- What are the important assumptions that underlie your projections? These assumptions may be associated with both external or internal factors.
- What financial aspects of your business (equity, asset growth, ROA, ROE, etc.) will you monitor?
- What procedures will be used for monitoring overall business performance?
- What level of performance will your business shoot for? These should be targets for next year and in five years. They should be financial performance standards used to monitor the overall business.

- What yield and output levels could you attain? What efficiency levels will you reach?

B. Contingency Plan

- What will you do if you can't follow through with your primary plan?
- How are you preparing for an emergency in your business?
- How will the business function if something happens to one of the key members of the management team?

8. Appendix

This section should be utilized on an as-needed basis and should only include essential information. Documentation including, but not limited to, bank statements, contracts, inventories, receipts and employee resumes may be placed in this section