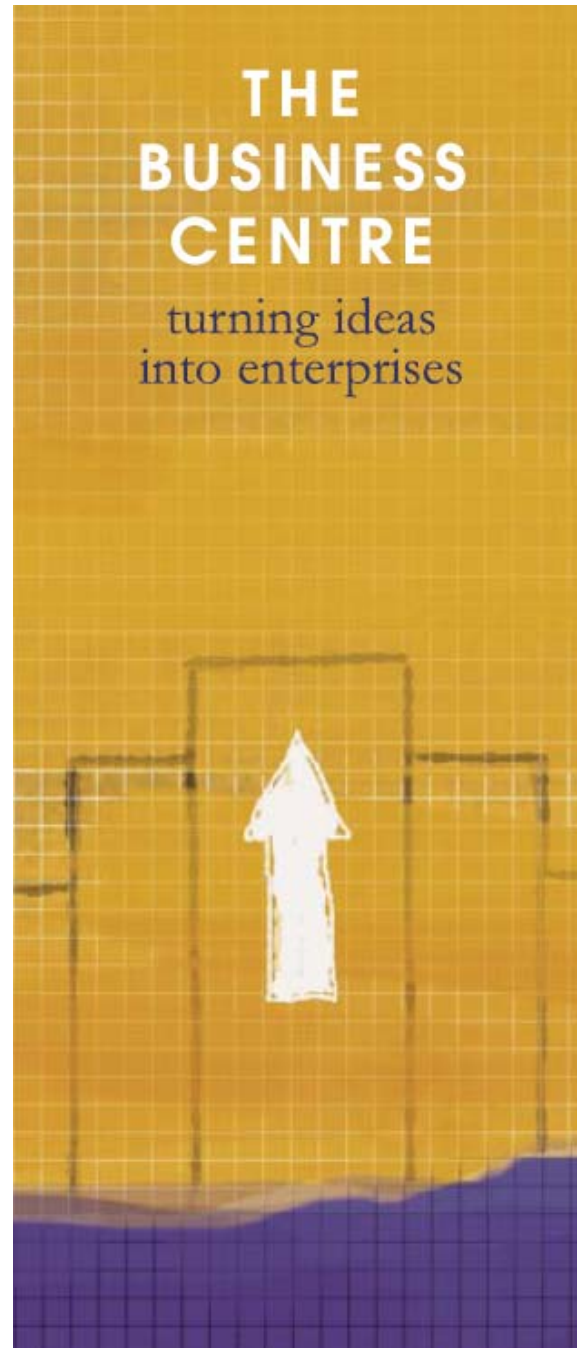


# BUSINESS PLAN OUTLINE

---



# Table of Contents

---

Business Plan Overview	Page #1 - #2
Your Business Venture	Page #3
Industry & Market Analysis	Page #4 - #5
Marketing Plan	Page #6
Management & Ownership	Page #7
Operating Plan	Page #8
Financial Plan	Page #9 - #12
Executive Summary	Page #13
Exhibits and Appendices	Page #14

# Business Plan Overview

## What is a Business Plan?

A business plan is a written overview of your business. It describes both your short-term and long-term goals and objectives for the business you are starting or expanding.

A business plan gives the business owner and others who read the plan, a thorough understanding of the product or service the business is offering, the marketplace in which the business will operate, measurable goals and objectives for the business to meet, financial forecasts and more.

## Why is a Business Plan Important?

A business plan helps you to think through and evaluate your business idea. It helps you organize and present information on your business idea and goals, to allow you to communicate it easily to others.

A business plan is not a static document. As market conditions change, new products are added or financial projections surpassed, the plan should be updated to reflect the new situation in which the business is operating.

## Tips for Preparing Your Business Plan

This business plan is a generic outline suitable for all types of businesses. However, you should modify it to suit your particular circumstances. It typically takes several weeks to complete a good plan. Most of that time is spent in research and re-thinking

your ideas and assumptions. Make time to do the job properly. Those who do, never regret the effort. Finally, be sure to keep detailed notes on your sources of information and the assumptions underlying your financial data.

The business plan should be prepared in a professional manner, while considering the reader's reason for reviewing the plan. Therefore, the plan should be organized with easy to find sections and exhibits. After you have completed the plan, it is useful to have others review it prior to forwarding it to potential lenders or investors. In light of the confidential nature of the content contained within the business plan, it is important to carefully control its distribution.

This business plan outline has been researched and prepared by The Business Centre Nipissing Parry Sound Inc. For additional information and assistance with market research, business planning, and business start-up information, please contact:

The Business Centre Nipissing Parry Sound Inc.

200 McIntyre Street East

North Bay, ON

P1B 8H8

Tel: (705) 474-0626 ext.528

Fax: (705) 474-4493

[www.thebusinesscentre-nps.com](http://www.thebusinesscentre-nps.com)

[tbc@cityofnorthbay.ca](mailto:tbc@cityofnorthbay.ca)

## Section #1

# Your Business Venture

*This section introduces readers to your business. It is a broad overview of the business, telling the reader when and why a business is being formed and a brief description of how it will run. This section also includes personal and business goals for the future.*

---

### Background

#### **Discuss:**

- The date the business was started
- The name of the business
- A brief description of the business
- The structure of the business (*sole proprietorship, partnership or corporation*)
- The contact information for the business (*if you do not have a business address yet, include your personal contact information*)
- The name of the owner and key individuals involved
- Any applicable historical information on the business (*has it been operating for a period of time already, was it owned by someone else, etc.*)

---

### Future Plans

#### **Describe:**

- Your goals for the business and your strategies for achieving them at the:
  - One year mark
  - Three year mark
  - Five year mark
- Your personal goals for opening the business (*income, self-employment, etc.*)

## Section #2

# Industry & Market Analysis

*This section is a description and analysis of your direct, as well as indirect competitors, assessing their competitive advantages and how you will compete in the market. It is also an examination of the primary target market for your product or service.*

## Industry

---

### **Outline:**

- What type of industry your business will operate in
- What have been the trends in this industry over the past five years? Is it growing, stable or declining?
- What do you foresee as upcoming trends in the industry in the next five years? *I.e. the transition of cassette tapes to CD's to MP3's or an increase in the number of teenagers with access to cell phones*
- Any specific standards or regulations for this type of business
- Is this a seasonal business? Does it experience seasonal patterns?
- What is the size of this industry? *(Support this figure with market research information including data and statistics. The size can be determined in dollars or units).*
- What is the market growth potential? *(Analyze local, national and international markets for this information).*

## Competition

---

### **Describe:**

- Who your major competitors are
- Complete a SWOT (strengths, weaknesses, opportunities, threats) analysis of each competitor, evaluating them on such things as:

- Pricing
  - Product quality
  - Customer service
  - Location
  - Assortment
- What are your competitive advantages? (*What do you do better than your competition?*)
  - How will you position yourself compared to your competitors? *I.e. will you be offering a higher quality product, a lower price, longer hours, etc.?*

## Customers

---

### **Discuss:**

- Who your primary target market is *I.e. individuals, other businesses*
- If you are targeting individuals, describe your ideal customer using demographics *i.e. age, gender, occupation, location, income, etc.*
- If you are targeting individuals, describe your ideal customer using psychographics, *i.e. values, attitudes, the product/service benefits they want*
- If you are targeting other businesses, describe you ideal customer by identifying the type of business you are targeting
- When your customers buy? Is it daily, weekly, monthly, one time only? Are there any seasonal trends to their purchases?
- How big your target market is? (\$ or numbers). Consider:
  - The number of potential customers
  - Annual purchases of the product/service
  - Anticipated market growth
- What are your market share projections? How much of the “pie” are you planning on capturing?

## Section #3

# Marketing Plan

*The marketing plan outlines all of the components of your marketing strategy for the reader. The marketing plan includes a detailed explanation of your sales strategy, pricing plan and proposed advertising and promotional activities.*

### Pricing

---

**Outline:**

- What price you plan to charge for your product/service?
- How does your pricing compare with your major competitors?
- What will your terms of sale be? *I.e. Credit payments of 30 days*
- What forms of payment will you accept?
- What type of discounts you will offer?

### Place

---

**Describe:**

- Where will you sell and distribute your product or service?
- What distribution channels you will use? *I.e. How will you get your product or service to the market?*

### Advertising & Promotion

---

**Discuss:**

- How do you plan on generating awareness for your business? What types of media will you use?
- What is your advertising strategy?
  - When will you start advertising?
  - How frequently will you run ads?
  - How long will you advertise for?
- Estimate how much your promotional activities will cost
- How and where will you obtain free publicity?

## Section #4

# Management & Ownership

*This section outlines the business' legal structure and management team, including internal management, external management or advisory resources/assistance and any human resources the business will require to successfully conduct operations.*

## Management

---

**Describe:**

- The organizational structure of the company
- Who the key people are, their positions, their duties and their responsibilities
- What are the required skill sets to properly manage this business?

## Owners

---

**Identify:**

- Identify the owners. Who are they? What strengths (including experience and areas of expertise) do they bring to the business?

## Section #5

---

# Operating Plan

*This section describes the physical requirements of your business operation, including the business' physical location, facilities and equipment. Depending on what type of business you are operating, this section may also include information about inventory, suppliers and information on the manufacturing process of your product.*

## Location

---

**Describe:**

- The location of your business. Is it home based?
- What the advantages, as well as the possible disadvantages are of this location? *I.e. good visibility, lots of parking, good traffic flow ...*
- If there are any specific zoning requirements for this type of business?

## Facilities and Equipment

---

**Outline:**

- If you plan to buy, lease or rent your facilities and/or equipment?
- What the associated cost(s) will be

## Section #6

# Financial Plan

### Start-Up Budget

*The start-up budget helps to identify how much money will be needed to start the business and includes such items as promotions, insurance, licenses, etc. **In the start-up budget, you will estimate the first three months of monthly operating expenses***

ITEM	ESTIMATED COST	ACTUAL COST (if avail.)
Business Registration		
Insurance		
Stationary		
Phone line		
↓		
<b>Total Start-up Costs</b>		

### Capital Requirements

*Identifying your capital requirements helps to identify how much money will be needed for the larger items required to start and to operate your business. This includes such items as land, building, vehicle, tools, equipment, etc.*

ITEM	ESTIMATED COST	ACTUAL COST (if avail.)
Building		
Vehicle		
Tools		
Furniture		
↓		
<b>Total Capital Requirements</b>		

# Income Statement

---

*The purpose of the income statement is to summarize the operating activities of a business over a specific period of time. The income statement shows the profitability of a business.*

**Example of an income statement:**

(Add or remove items as required)

<b>[ Your Company Name ]</b>			
<b>Income Statement</b>			
<b>For the Period Ended [Month, Day, 200X]</b>			
<b>Revenue:</b>			
	Gross Sales		\$0.00
	Less: Sales Returns and Allowances	\$0.00	
	<b>Net Sales</b>		<b>\$0.00</b>
<b>Expenses:</b>			
	Advertising	\$0.00	
	Bank Charges	\$0.00	
	Insurance	\$0.00	
	Interest	\$0.00	
	Maintenance	\$0.00	
	Miscellaneous	\$0.00	
	Office Expenses	\$0.00	
	Payroll Taxes	\$0.00	
	Permits and Licenses	\$0.00	
	Postage	\$0.00	
	Property Taxes	\$0.00	
	Rent	\$0.00	
	Supplies	\$0.00	
	Telephone	\$0.00	
	Travel	\$0.00	
	Vehicle Expenses	\$0.00	
	Wages	\$0.00	
	<b>Total Expenses</b>		<b>\$0.00</b>
	<b>Net Operating Income</b>		<b>\$0.00</b>
<b>Other Income:</b>			
	Gain (Loss) on Sale of Assets	\$0.00	
	Interest Income	\$0.00	
	<b>Total Other Income</b>		<b>\$0.00</b>
	<b>Net Income (Loss)</b>		<b>\$0.00</b>

## Balance Sheet

*The balance sheet shows a company's assets, liabilities and equity. It represents the financial picture for the business at a specific point of time.*

- **Assets** – List of everything that is owned by the business. Assets must have a quantifiable value in order to be listed on the balance sheet.
- **Liabilities** – List of how much the company owes; all debts & monetary obligations.
- **Equity** – What the business is worth. Equity includes the original amount of money that the owners put into the business, plus the earnings after withdrawals.
- **NOTE:** The balance sheet must always “balance”.  
Assets = Liabilities + Owner's Equity

### **Example of a Balance Sheet:**

*(Add or remove items as required)*

[ Your Company Name ]		
Balance Sheet		
[Month, Day, 200X]		
<b>Assets</b>		
<b>Current Assets:</b>		
Cash	\$0.00	
Accounts Receivable	\$0.00	
Inventory	\$0.00	
Prepaid Expenses	\$0.00	
<b>Total Current Assets</b>	<u>\$0.00</u>	<b>\$0.00</b>
<b>Fixed Assets:</b>		
Machinery & Equipment	\$0.00	
Furniture & Fixtures	\$0.00	
Vehicles	\$0.00	
Other	\$0.00	
<b>Total Fixed Assets</b>	<u>\$0.00</u>	<b>\$0.00</b>
<b>Total Assets</b>		<b>\$0.00</b>
<b>Liabilities and Capital</b>		
<b>Current Liabilities:</b>		
Accounts Payable	\$0.00	
Taxes Payable	\$0.00	
Short-Term Bank Loan Payable	\$0.00	
<b>Total Current Liabilities</b>	<u>\$0.00</u>	<b>\$0.00</b>
<b>Long-Term Liabilities:</b>		
Bank Loans Payable (Greater than 12 months)	\$0.00	
Mortgage Payable	\$0.00	
Other long-term debt	\$0.00	
<b>Total Long-Term Liabilities</b>	<u>\$0.00</u>	<b>\$0.00</b>
<b>Total Liabilities</b>		<b>\$0.00</b>
<b>Equity:</b>		
Owner's Equity	\$0.00	
Net Profit	\$0.00	
<b>Total Equity</b>	<u>\$0.00</u>	<b>\$0.00</b>
<b>Total Liabilities and Equity</b>		<b>\$0.00</b>

# Twelve Month Cash Flow Statement

The cash flow statement, on a month-by-month basis, summarizes cash coming in and cash going out of the business. It shows how much cash a business will have at the end of each month.

## Example of a Twelve Month Cash Flow Statement:

(Add or remove items as required)

Your Company Name														
Cash Flow Budget														
	START-UP	MTH 1	MTH 2	MTH 3	MTH 4	MTH 5	MTH 6	MTH 7	MTH 8	MTH 9	MTH 10	MTH 11	MTH 12	TOTAL
<b>CASH RECEIVED</b>														
Cash Sales														0
Personal Investment (\$ Only)														0
Loan Proceeds														0
Grants														0
														0
														0
<b>TOTAL CASH RECEIVED</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>CASH PAID OUT (EXPENSES)</b>														
Owner's Drawings														0
Wages														0
Receipts														0
Advertising														0
Travel														0
Rent														0
Accounting Services														0
Legal Services														0
Telephone														0
Utilities														0
Insurance														0
Taxes														0
Miscellaneous														0
														0
														0
<b>TOTAL CASH OUT</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>SUMMARY</b>														
Total Cash Received	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Cash Out	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Over/(Short)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>CUMULATIVE CASH TOTAL</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0

## Section #7

# Executive Summary

---

*The purpose of the executive summary is to provide a concise overview of the business for a reader of the business plan.*

This section will appear first in the plan, but it should always be written after the rest of the plan has been completed.

The executive summary is a description of the business that provides the following information:

- The name of your business
- The location of your business
- The form of ownership (sole proprietorship, partnership, corporation)
- Summary details of the product/service to be offered
- Financing required

## Section #8

# Exhibits & Appendices

The information included should add more detail or support to the information presented in the plan.

This information is kept separate from the other sections of your plan and the reader may use it on an “as needed” basis.

Some examples of information that may be included here are:

- Resumes of management
- Market research
- Surveys
- Patent information
- Photographs / Sketches of product or service
- Partnership agreements
- Newspaper / Industry journal articles
- Contracts / Legal agreements