**Business Plan**

**For**

**[Name of Company]**

(Short Form Template)

A business plan is a working blueprint for the business operations. A business plan has four essential purposes: (1) assist the owner(s) and others to to analyze the feasibility of the business; (2) provide a guide for operational purposes; (3) be used as a financing tool; and (4) help management evaluate the business and provide insight for future direction. The form of a business plan will vary and often depends on the nature of business operations and whether the plan will be considered by others (*e.g.*, financial institutions, etc.) to make financial or other decisions.

**BACKGROUND**

This section introduces the business to others and provides a high-level review of its key elements. This section should elaborate on the details typically included as part of an elevator pitch, *i.e.* a business description that helps readers to quickly understand the history, nature and goals of the business as well as the features that make it unique and successful.

* History or Vision

*Describe the nature of your business and list the marketplace needs that you are trying to satisfy.*

* Legal Structure (Sole Proprietorship, Partnership, Corporation, LLC, etc.)
* Business Location

*Identifies business set-up –home based, leased/owned space, location, etc.*

* Product(s) and/or Services Description

**MANAGEMENT**

This section should include details about the ownership of the company, profiles of the management team, and the qualifications of the owners and board of directors.

Consider what is in an individual’s background that will help the business succeed. Even small operations need to provide such details as they often help create credibility for the business and its goals.

* Owner(s)/Manager(s)/Partner(s)
* Duties of Each Owner/Manager/Partner

*Defines management roles and responsibilities*

* Details of Board members (if applicable)
* Key position descriptions
* Resumes (these should detail skills and experience that demonstrate each individual’s ability to perform his/her position duties and that enhance the credibility of the organization)

* + Experience in the Field
  + Experience in Managing a Business

**INDUSTRY ANALYSIS**

The industry analysis section of the business plan should describe the industry (its current size and historic growth rate as well as other trends and characteristics (e.g., life cycle stage, projected growth rate)) and provide market knowledge that helps the reader understand the industry and market opportunities. This section typically would list major customer groups in the industry, describe the likely market share and number of customers the company expects to obtain in a defined geographic or other defined area. It is important to explain the logic behind the conclusions reached and tie these details to the data used to support the financial projections. It is important to target a specific market and narrow it to a manageable size. This section should include the company’s competitive analysis by product/service line and the market segment the company expects to target

* Opportunity and Market Size
* Number and Size of Competitors
* Competitor – Strengths and Weaknesses
* Estimated Market Share to Capture
* Explain Competitive Position

*Explains competitive advantages that you believe will make your business a success such as you location, expert personnel, efficient operations, or ability to bring value to your customers*

**PRODUCTS & SERVICES**

Use this topic to explain the products and services you sell to your customers. You may want to group similar products/services together, rather than listing them individually. Describe the main features of each. What need does the product or service fill for your customers?

**COMPETITION**

Every business will have competition for their customers. Who competes with your company? Do they compete directly with you (for example, gas stations, restaurants, and dry cleaners)? Or are you a storefront competing with an online catalog?

The more you know about them, the better you can compete against them. List who your main competitors are. What they do well? What do you think your company does better? Why?

**MARKETING**

Marketing is the process of creating customers. Customers are the main focus of a business. This section should define the marketing strategy and how the company expects to implement that strategy. The details should identify the assumptions used in sales forecasts.

* Market Segments –general description of the target market.

* Marketing Objectives (define three and address how each will be achieved)
* Targets (identify market segments that will be targeted)

*Identifies target market characteristics (demographics, geographic location, etc)*

*What is the size of your target market?*

* Customer Profiles (existing or expected customer profiles)

*List the specific consumers, organizations or businesses that your company serves or will serve*

* Product(s)/Service(s) Strategy
  + Branding
  + Packaging
  + Legal Protection – what makes the product(s)/service(s) unique and to what extent are the products/services protected or protectable (e.g., patents, trademarks, copyrights)
* Placement Strategy – How will the market(s) be approached?
  + Channels of Distribution Breakdowns
  + Types of Distributors
* Promotion Types – Building Awareness Generally
  + Advertising – Traditional, Social Media, etc.
  + Sales promotion, Personal selling
  + Public relations
* Pricing Strategy
  + Breakdown of the cost to produce
  + Cost to promote
  + Breakeven point(s)
  + Pricing strategy

**CRITICAL RISKS**

This section highlights what potential/inherent risks may inhibit the success of the business. This provision should also provide details on how such risks will be mitigated and how the business will address the risks if in fact they do become reality. This section may include predictions on how likely the risks are (and how such risks will be mitigated) to demonstrate that such matters have been considered and can be addressed.

Complete a SWOT (Strengths, Weaknesses, Opportunities, and Threats)

* Risks – What might interfere with the company’s ability to succeed?

*Are there any barriers that may hinder you as you enter the market?*

*What is your window of opportunity to enter the market?*

* Solutions to Risks/Issues

**FINANCIALS**

All businesses, whether startup or growing, need prospective financial data. To obtain financing, a company typically will need to project income and expenses for at least a three year period. Projections should be reviewed to eliminate potential inconsistencies. Also, if assumptions support the projections, it is important to provide realistic support and data in the business plan so that the reader understands the bases for the projections. To what extent do the financials support the objectives and goals of the business.

* Sales projections
  + Monthly (1st year)
  + Quarterly (Years 2-3)
* Cost to produce
  + Labor
  + Materials
  + Packaging
* Cost to get to market
  + Transportation
* Cost to promote
  + Advertising
  + Promotions
* Other Operating Costs (e.g., rent, utilities, salaries and payroll expenses, telephone, website, insurance, etc.)
* Breakeven point(s)
  + Fixed cost/contribution margin
* Cash flow projections
  + Monthly (at least 1st year)
  + Quarterly (Years 2-3+)
* Sources and uses statement (what capital/items are needed to start or expand the business; where will funding for such costs come from)
* Balance sheet

M:\SBDC\Forms\Business Plan Short Form Template 2013