**Business Plan Template Sample**

Company Logo Here

Company Name

Business Plan

Date

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[3 to 5 word product description]

Contact information for the company: CEO

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# **1. Executive Summary**

In the same way that a great movie trailer gives you a basic understanding of what the film is about while also enticing you to go check out the full-length feature, your Executive Summary serves as an overview of the main aspects of your company and business plan that you will discuss in greater length in the rest of your plan.

In other words, your Executive Summary is your business plan’s highlight reel.

Remember, you’re not giving away every last little detail about your company and business opportunity right up front. Just enough of the “good parts” to both inform and intrigue your reader to dig in further.

You do this by presenting a concise, 1-sentence outline of the following information:

## **Mission Statement**

A “big idea” statement that introduces why your company exists, what it does for your customers, and why it matters.

## **Product/Service Summary**

A brief description of your company’s products or services, with a special emphasis on what makes them unique.

## **Market Opportunity Summary**

A quick explanation of the one or two key problems and/or trends your product/service addresses, and how it translates to a big opportunity for your company (and [investors](https://www.startups.com/library/expert-advice/writing-a-business-plan-investors-will-love)).

## **Traction Summary**

Highlight a few of the biggest accomplishments that you have achieved and describe how those accomplishments lay the groundwork for what’s to come.

## **Next Steps**

Outline the next objectives or milestones that you hope to meet and what it means for the growth of your company.

## **Vision Statement**

What is the scope or “big picture vision” of the business you are trying to build? If you’re in tech, are you trying to build the next Nest? If you’re in food and beverage, are you aiming to be the next Chipotle? In other words, how big is this company going to get, and why should an investor/partner/hire be excited to be a part of it?

## ***A word of advice:***

While your Executive Summary is the first piece of content people will read in your business plan, it’s usually a good idea to write this section last so you can take a step back after you’ve written everything and have a better sense for which high level information you want to pull from the rest of your plan to focus on here.

First impressions are everything!

# **2. Company Synopsis**

The Company Synopsis section is where you provide readers with a more in-depth look at your company and what you have to offer.

Before your readers will ever bother caring about things like your marketing strategy or your financial assumptions, they’ll want to know two absolutely fundamental details that will set up the rest of the plan that follows:

* What painful PROBLEM are you solving for your customers?
* What is your elegant SOLUTION to that problem?

## **Problem**

You might have the most revolutionary product the world has ever seen, but if you don’t take the time to carefully articulate why your product exists in the first place and how it helps your customers solve a pain point better than anything else out there, nothing else in your business plan really matters from the reader’s perspective.

If you spend the majority of your time on any one part of your business plan, take the time to really nail this part. If you can build an engaging story around the problem that your audience can relate to, it makes the payoff of your solution statement all the more powerful.

When considering how to position your problem in the context of your business plan, think to yourself: what is the single greatest problem my customers face? How do other solutions in the market fail to alleviate that problem, thus creating a major need for my product?

## **Solution**

Once you’ve thoroughly explained the problem you’re setting out to solve, it’s time to tell investors how your product/service solves that problem beautifully.

The goal here is less about describing how your product or service actually works (you’ll get to that in the “How It Works” section later) than it is about communicating how your solution connects back directly to the problem that you just described.

Key questions to consider:

* What is the product/service you’re offering?
* In what way does it solve my customers’ most painful problem?
* What impact does my solution have on my customers’ lives?
* How does my product/service effectively address the biggest shortcomings of other solutions currently in the market?

# **3. Market Overview**

While your problem and solution statements help set the stage and provide readers with insight into why you’re starting this company in the first place, **clearly defining your market** will allow you to call attention to the trends and industry conditions that demonstrate why now is the time for your company to succeed.

You’re going to want to supplement your own expertise with plenty of evidence in the form of market statistics and research to show readers that you’re not only an expert when it comes to your product, but your industry as well. Your goal here is to help illustrate:

* The **SIZE** of the market opportunity your company is positioned to address
* The amount of **GROWTH** occurring in your market
* The **TRENDS** driving the demand for your solution
* The **SUCCESS STORIES** happening with similar companies in your industry

## **Market Size & Growth**

Indicating to your readers that your problem addresses a big enough market will play a huge role in how excited they’ll be about getting involved in helping your company. This is where you’ll want to put your research cap on and start uncovering some numbers that help your reader better understand:

* How big the market is (locally/nationally/internationally)
* Approximately how much revenue it generates every year
* If it’s growing
* How much it’s expected to grow over the next 5-10 years

## **Trends**

What recent emerging trends have you developed your product/service in response to?

Are there any new technologies that have emerged recently that make your product/solution possible? Are there any specific brands or products you can point to that illustrate the demand for products/services like (but not too like) yours?

### **Examples of Trends**

* An increasing number of consumers are “cutting the cord,” replacing traditional cable subscriptions with subscriptions to services like Netflix, Amazon Prime and HBO NOW.
* As the Baby Boomer generation continues to age, there is a growing demand for products that empower them to stay safe and maintain their independence for longer.
* Consumers are increasingly seeking food options that feature locally-sourced ingredients.
* The emergence of image recognition technology for smartphones.

## **Industry Success Stories**

Are there any examples of similar companies that investors have supported that you could point to? Are there any recent acquisitions (examples of larger companies buying up companies similar to yours) that could bolster the case for [your own exit strategy](https://www.startups.co/articles/your-first-order-of-business-plan-an-exit-strategy?__hstc=219066822.702992f90397bf2b1c85a83e17c3e674.1669244785794.1669244785794.1669244785794.1&__hssc=219066822.4.1669244785795&__hsfp=3419518405)? Are there any similar companies that have recently IPO’d (gone public)?

# **4. Product (How it Works)**

You used your Company Synopsis section to cover *why* your new product delivers crazy value to your customers by breaking down the ways that it benefits your customers and meets a highly specific need for them.

Now it’s time to use your Product or How it Works section to get into the finer details around the mechanics of how it does so.

This might sound like they’re one and the same. Not exactly. And here’s a good way to distinguish this.

Let’s say you were building a subscription box service for pet flea treatment. In your Company Synopsis section, you’d probably spend your time talking about how your solution conveniently spares pet owners the hassle of remembering to make a vet appointment, traveling to the clinic, and waiting to talk with the vet just to pick up Scrambles’ medication.

In your How it Works section, on the other hand, you’d shift your focus to describing how your customers have the ability to choose from a variety of brand name medications, set their own delivery schedule, enjoy 2-day delivery, and gain real-time support 24/7 from a team of industry experts.

### Key questions to consider:

* What are some of your product’s **key features**?
* How will customers actually **use** your product or service?
* Is there any technology underlying your solution you will need to explain in order for readers to fully understand what your company does and how it works?

If your product or service has some sort of proprietary element or patent at the core of what makes it work, you might be a bit hesitant to show your hand for fear that someone might run off with your idea. While this is a completely understandable concern, know that this pretty much never happens.

That being said, you can still give your readers a clear idea of how your product or service works by explaining it through the lens of how it relates to the problems that your customers face without giving up your secret sauce.

Put another way, you don’t have to explicitly tell your readers the precise source code to your new app, but you will want to call attention to all of the great things it makes possible for your customers.

# **5. Revenue Model**

It’s the age-old question that every business owner has had to answer: *how will your company make money?*

If [you’re *just* starting out](https://www.startups.co/articles/start-a-business-8-criteria?__hstc=219066822.702992f90397bf2b1c85a83e17c3e674.1669244785794.1669244785794.1669244785794.1&__hssc=219066822.4.1669244785795&__hsfp=3419518405), clearly defining your framework for generating revenue might seem like somewhat of a shot in the dark. But showing investors you have even a cursory idea of how you will convert your product or service into sales is absolutely fundamental in lending credibility to your business plan.

You’ll want to determine the following:

## **Revenue Channels**

Are you leveraging transaction-based revenue by collecting one-time payments from your customers? Are you generating service revenue based on the time spent providing service to your customers? Are you following a recurring revenue model selling advertising and monthly subscriptions for your mobile app?

## **Pricing**

What are your price points and why have you set them that way? How does your pricing compare with similar products or services in the market?

## **COGS**

Cost of goods sold, otherwise known as COGS, refers to the business expenses associated with selling your product or service, including any materials and labor costs that went into producing your product.

## **Margins**

Your margin refers to the profit percentage you end up with after you subtract out the costs for the goods or services being sold. If you purchase your inventory for $8 per item from a supplier and sell them for $10, for example, your margin on sales is 20%.

Key questions to consider:

* Why is this revenue model the right fit for this product/market/stage of development?
* Are there any additional revenue sources that you expect to add down the line?
* Have you generated any revenue to date? If so, how much?
* What have you learned from your early revenue efforts?
* If you haven’t started generating revenue, when will you “flip the switch”?

# **6. Operating Model**

Where your Revenue Model refers to how you’re going to make money, your Operating Model is about how you’re going to manage the costs and efficiencies to earn it.

Basically, it’s how your business will actually run. For this component, you’ll want to focus on the following:

## **Critical Costs**

Your Critical Costs are the costs that make or break your business if you can’t manage them appropriately. These essentially determine your ability to grow the business or achieve profitability.

## **Cost Maturation & Milestones**

Often your Critical Costs mature over time, growing or shrinking. For example, it might only cost you $10 to acquire your first 1,000 users, but $20 to acquire the next 10,000. It’s important to show investors exactly where costs might improve or worsen over time.

## **Investment Costs**

Investment costs are strategic uses of capital that will have a big Return on Investment (ROI) later. The first step is to isolate what those investment costs are.  The second step is to explain how you expect those investments to pay off.

## **Operating Efficiencies**

What can you do from an efficiency standpoint that no one else can? It could be the way you recruit new talent, how you manage customer support costs, or the increasing value your product provides as more users sign up.

# **7. Competitive Analysis**

Now that you’ve introduced readers to your industry and your product, it’s time to give them a glimpse into the other companies that are working in your same space and how your company stacks up.

It’s important to research both your **direct competitors** (businesses that offer products or services that are virtually the same as yours) and your **indirect competitors** (businesses that offer slightly different products or services but that could satisfy the same consumer need).

A skimpy Competitor Analysis section doesn’t tell investors that your solution is unrivaled. It tells them that you’re not looking hard enough.

**Pro tip:** avoid saying that you have “no competitors” at all costs.

Why? Because while there may not be anyone exactly like you out there, if you say this, the investor is more than likely thinking one of two things: Either, *“They don’t know what they’re talking about,”* or, *“If there’s truly no competition, is there even a market worth pursuing here at all?”*

When you set out to identify your fiercest competitors, ask yourself this:

* What products/services are my target customers using to solve this problem now?
* What products/services could they potentially use to solve this problem now?

Identify at least three sources of competition and answer the following questions about each one:

## **Basic Information**

Where is your competitor based? When was the company founded? What stage of growth is your competitor in? Are they a startup? A more established company?

## **Traction**

How much revenue does your competitor generate each year? Approximately how many users/customers do they have? Have they received venture funding? How much? From whom?

## **Similarities & Differences**

What are the points of similarity between your competitor and you in terms of offering, price point, branding, etc?  What are the points of difference, both for the better and for the worse?

## **Strengths & Weaknesses**

What are your competitors’ biggest strengths? What do you plan to do to neutralize those strengths? What are your competitors’ biggest weaknesses? How do they translate into an advantage for your company?

# **8. Customer Definition**

The name of the game here is *know your audience*!

This is where you show readers that you know who your audience is (who’s most likely to buy and use your product), where they are, and what’s most important to them. Are they price-conscious? Do they value convenience? Are they concerned about environmental impact? Do they tend to be early adopters of new technologies?

Once you have a good idea of your customer personas and demographics, you’ll want to explain how you’re designing your products/services, branding, customer service, etc. to appeal to your target audience and meet their needs.

## Key questions to consider:

* Who are the people that your product/service is designed to appeal to?
* What do you know about customers in this demographic?
* Does your target audience skew more male or more female?
* What age range do your target customers fall in?
* Around how many people are there in this target demographic?
* Where do your target customers live? Are they mostly city dwellers? Suburbanites?
* How much money do they make?
* Do they have any particular priorities or concerns when it comes to the products/services they buy?

# **9. Customer Acquisition**

Now that we know who your customers are, the next question is — how do you plan on *getting them*? This essentially refers to your marketing plan where you’ll go into detail about how you intend on raising awareness for your brand to [expand your customer base](https://www.startups.co/articles/no-plan-survives-first-contact-with-customers-business-plans-versus-business-models?__hstc=219066822.702992f90397bf2b1c85a83e17c3e674.1669244785794.1669244785794.1669244785794.1&__hssc=219066822.4.1669244785795&__hsfp=3419518405).

## **Channels**

Which channels will you use to acquire your customers? Direct sales? Online acquisition (paid ads, organic SEO, social, email)? Offline acquisition (newspaper, TV, radio, direct mail)? Channel partners (retailers, resellers)? Word-of-mouth? Affiliates?

## **Channel Cost Assumptions**

There are hard costs associated with every customer acquisition channel. Yes, even social media. It’s your job here to forecast and compile all of the associated costs with a particular channel so that you can arrive at a preliminary budget for what it would cost to use this channel.

### Key questions to consider:

* Are there specific subcategories of customers that you plan to target first?
* Will you introduce your product in certain key geographic locations?
* Are there specific components of your product offering that you will introduce to the market first?
* Are there any existing brands that you are planning to partner with to increase brand awareness / expedite market penetration?

# **10. Traction**

Many investors see hundreds of deals every year.

If you want to stand a chance of making any sort of meaningful impression, it’s important to show them that your business is more than just an idea and that you’ve already got some irons in the fire.

Traction is a huge part of making that case.

When investors see that Founders are already making things happen, they think to themselves, *“Wow, look at everything they’ve already accomplished! If they can do that much by themselves, just think what they can do with my money behind them!”*

Here are some common categories of traction that can help emphasize your business is gaining momentum:

## **Product Development**

Where are you in the product development process? Do you have a working prototype? Is your product already in the market and gaining customers?

## **Manufacturing/Distribution**

Do you already have an established partner for production/manufacturing? How about distribution? Tell us about your relationships and what they can handle.

## **Early Customers & Revenue**

Do you have any existing customers? If so, how many, and how fast is your customer base growing? Have you started generating revenue? If so, how much?

## **Testimonials & Social Proof**

Do you have any client reviews or comments that can illustrate positive customer response to your product/service? Has your product/service been reviewed/endorsed by any industry experts? Do you have any high-profile customers (celebrities or industry experts if it’s a B2C product, well-known brands if it’s a B2B product)

## **Partnerships**

Have you secured partnerships with any established or notable companies or brands?

## **Intellectual Property**

Do you have any patents for the technology or ideas behind your company?

Is your company name trademarked?

## **Press Mentions**

Has your company been featured by any media outlets? Which ones?

# **11. Management Team**

Your Management Team section is where you introduce your team and, if possible, explain how each team member’s background is highly relevant to the success of your company.

You may have gotten a PhD in Chemical Engineering from Carnegie Mellon, but if you’re building the next hot dating app, that doesn’t really lend much credence to why you’re uniquely qualified for this particular product.

An ideal Management Team section shows investors that your team’s combination of skills, experience, relationships, and expertise make you the best group of people on the planet to drive the success of your company.

Each team bio should cover:

* The team member’s name
* Their title and position at the company
* Their professional background
* Any special skills they’ve developed as a result of their past experience
* Their role and responsibilities at your company

It’s important to keep team bios focused and to the point: readers don’t need to know where you were born or what your favorite hobbies were growing up. They don’t even necessarily need to know what you studied in undergrad (unless what you studied in undergrad is super-relevant to what they’re doing at your company.)

Aim for around 3-5 sentences of good information on each team member.

# **12. Funding**

Chances are you’re shopping your business plan around to secure capital for your project. If [that’s the case](https://www.startups.co/articles/yes-startups-need-business-plan?__hstc=219066822.702992f90397bf2b1c85a83e17c3e674.1669244785794.1669244785794.1669244785794.1&__hssc=219066822.4.1669244785795&__hsfp=3419518405), don’t forget to actually ask for the one thing you set out to achieve!

In fact, you’ll want to devote an entire section to your request for funding. This is your opportunity to tell investors:

1. What your funding goals are
2. How they can help you achieve those goals
3. What they have to gain from getting involved in your company

## **Funding Goal**

How much funding do you need to move forward with your goals? How did you arrive at this figure?

## **Terms**

What will investors get in exchange for their investment in your company?

**Use of Funds**

How will you use the funding that you secure from investors? Provide a very basic breakdown, either by amounts or by percentages, of how you plan to allocate the funds you receive. For example:

* 25%: R&D
* 25%: Marketing
* 25%: Product Development
* 25%: Key Hires

## **Milestones**

What key milestones will you and your company be able to achieve with the help of this funding?

**Why Invest? / Conclusion**

Wrap up your Funding section with by driving home why investors should get involved with your company. Is it the experience of your team? The originality of your product? The size of the market? Identify a few key factors that make your company a great opportunity from an investment perspective.

# **13. Financials**

At last, we’ve arrived at everybody’s least favorite section of the business plan: [Financials](https://www.startups.co/articles/business-planning-financial-planning-go-hand-hand?__hstc=219066822.702992f90397bf2b1c85a83e17c3e674.1669244785794.1669244785794.1669244785794.1&__hssc=219066822.4.1669244785795&__hsfp=3419518405)!

Your Financials section comes last after what we’ll call the more “narrative”-driven content that makes up the vast majority of your business plan.

It’s here where you’ll present your various spreadsheets, charts, tables, and graphs that communicate to investors your projections for the company in dollars and cents over the next few years. And while this is a numbers-dominant section, you’ll still want to backup all of your figures with either a quick intro or summary explaining how you got there.

Because despite the fact that some people underplay financials as merely a guessing game, it’s crucial to remember that investors are looking for estimates, not guesses.

Simply put, you want to build your financial forecasts on a series of assumptions that incorporate as many known parameters as possible. Indicate how you arrived at these assumptions (maybe you compared them against similar products in the market, for example).

Some common elements included in your Financials section are:

## **Income Statement**

A financial statement that showcases your revenues, expenses, and profit for a particular period and whether or not your business is profitable at that point in time.

## **Balance Sheet**

A summary of your business’ net worth at a particular point, breaking it into assets, liabilities, and capital.

## **Cash Flow Projection**

An estimate of the amount of cash that is expected to flow in and out of your business. Your cash flow projection will give you a good idea of how capital investment you need to secure.

## **Break-Even Analysis**

Just like it sounds, your break-even analysis helps you determine when your total revenue equals your total expenses. In other words, your break-even point. Total profit here equals 0.

If this sounds intimidating, it’s because it kind of is. On the plus side, there are some great online tools available designed to help you create super sleek financials and still maintain your sanity.

# **Summary**

We’ve spent time picking apart each core component of a business plan, and as it has probably become abundantly clear, each section is essentially its own in-depth presentation within the overarching plan itself.

While no two business plans will ever be exactly the same, the key takeaway here is that every great plan incorporates the [same basic elements](https://www.startups.co/articles/writing-a-business-plan-investors-will-love?__hstc=219066822.702992f90397bf2b1c85a83e17c3e674.1669244785794.1669244785794.1669244785794.1&__hssc=219066822.4.1669244785795&__hsfp=3419518405) that give investors the information they need when determining whether your business idea has legs or not.

Now that you’re ready to roll up your sleeves and finally launch into [the writing process](https://www.startups.co/articles/10-top-business-planning-tips?__hstc=219066822.702992f90397bf2b1c85a83e17c3e674.1669244785794.1669244785794.1669244785794.1&__hssc=219066822.4.1669244785795&__hsfp=3419518405), you can refer back to this as you start tailoring these elements to your specific business. If you find yourself getting hung up along the way, check out one of our many other resources on business planning to help you tackle this project head on!