



## **Business Plan Template Sample**

Company Logo Here

# Company Name Business Plan

Date

This document contains confidential and proprietary information belonging to [Company Name \] the producers of [Product Name],

[3 to 5 word product description]

Contact information for the company: CEO

Contact Information

## **INFORMATION REGARDING BUSINESS PLAN**

This Business Plan (the “Business Plan”) contains certain information regarding the current and planned operations and business of [Name] (the “Company” or “[Short Name]”); including the projected financial performance of the Company. This Business Plan has been provided to the recipient solely for the purpose of assisting the recipient in deciding whether to proceed with an Location in-depth investigation of the Company in accordance with procedures established by the Company and its advisors.

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The Company has prepared this Business Plan on the basis of internally prepared information, as well as information from public and private sources, including trade and statistical sources commonly used in the industry. This Business Plan does not purport to contain all of the information that may be required to evaluate all of the factors that would be relevant to a recipient in considering a transaction with the Company. The Company makes no warranty or representation, either express or implied, as to the accuracy or completeness of either the material contained herein or any other written or oral information provided by the Company to the recipient, and no liability shall attach thereto.

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## **1. Executive Summary:**

This section must be written after the rest of the business plan is complete. A single short paragraph each should summarize each of the following sections. The entire executive summary should not be longer than a page and a half:

- a. Description of the company and business concept: what are you selling? Is it a product or service? How is it unique/ different from what's being done/ sold currently? Any IP related to this? Location of business.
- b. The opportunity and strategy (the challenge market): Summarize what the opportunity: what it is? Why so special and why now. How will you exploit it? What is missing in the current market.
- c. Target market and projections (The market): Briefly identify the industry and the market. Who is your target segment? What is the structure of the market? What is the market size and growth rate? Your unit and dollar sales projections, payback period for customer and pricing strategy.
- d. Product development: Short product description. End user value proposition (how will the user use it and how will it make their life better), market validation (is there really a need for this product? If so, why/ how?)
- e. IP: Description and status of patents, trademarks, etc.
- f. Business validation: Why will the business be viable and strong (describe how you will enter and sustain in the market)
- g. The competition: What is the competitive advantage you have? What are the barriers to entry? What are the competitors strengths/ weaknesses? Any other major industry changes?
- h. The management team: Summary of relevant knowledge, skills, successes, awards and patents owned.
- i. The offering: Indicate the dollar amount asked for, equity offered, principal use of the capital (the money they give you) and the expected Internal Rate of Return.

## **2. The Industry and the Company and its Products or Services**

This section defines the company: which industry will it compete in, the state of the industry, the concept of the company and the exact product/ service being offered. The Business Model Canvas method used in Lean Start-up will be used to create this section.

- a. The Industry:
  - i. Describe the current status and prospects of the industry in which your business will operate.
  - ii. Describe the competition: Who are they and what to they sell
  - iii. How much power lies with your customer?
  - iv. How much power lies with your supplier?
  - v. Describe any new products or developments in the industry. Any new markets? Indicate the national/ economic trends that affect the industry and your company – whether positive or negative.
  - vi. Environmental profile of the industry – energy requirement, waste generation, etc.
- b. The company and the concept.
  - i. What are you selling: product and/or service and/or experience?
  - ii. If the company was incorporated, when and its history
  - iii. Describe the development of the products/ services. What was the founder involvement in this development?
- c. Product
  - i. Describe in detail the product or service sold.
  - ii. Clarify its application – primary and secondary.
  - iii. Indicate method of delivery.
  - iv. Emphasize any unique features and how they will add value.
  - v. List any drawbacks.
  - vi. Describe briefly the current state of development of the product.

### **3. Market Research and Analysis**

The goal of this section is to support the assertion that the venture can capture a substantial market in a growing industry and stand up to competition. It is a key section as it establishes the need for the venture and its size.

- a. Customers:
  - i. Describe the market segment: geographically location and characteristics.
  - ii. Are they easily reached and receptive? Who makes the purchasing decisions and how?
  - iii. Do you have any orders in hand?
- b. Price:
  - i. At what price will you sell your product/ service?
  - ii. Basis of setting the price.
- c. Market Size and Trends:
  - i. Show the five-year size of the market and your expected share. Explain the basis of the expected share calculations.

- ii. Describe your expected potential annual growth – in units and in dollars and the factors that will affect growth.
- d. Competition and Competitive edges:
- i. Make realistic assessment of strength and weakness of competition.
  - ii. What are you offering that they aren't?

Figure 3-1 describes [product name's] strengths, weaknesses and position against other products.

*Figure 3-1 Competitive Strengths and Weaknesses – Positioning to win*

Company	Strengths	Weaknesses	We Win/We Lose
			Win When: <ul style="list-style-type: none"> <li>• Flexible</li> <li>• Lose When: Size of</li> </ul>
			Win when: <ul style="list-style-type: none"> <li>• Ston</li> <li>g Lose</li> </ul> When: <ul style="list-style-type: none"> <li>• Strong auditing required</li> </ul>
			Win when: <ul style="list-style-type: none"> <li>• Full solution</li> <li>• ops</li> </ul> Lose           When: <ul style="list-style-type: none"> <li>• Only</li> </ul>
			Win when: <ul style="list-style-type: none"> <li>•</li> <li>•</li> </ul> Lose When: <ul style="list-style-type: none"> <li>• Concerns about Company size</li> </ul>

#### **4. Marketing Plan**

Summary description of go to market strategy as intro

- a. Market Strategy
- b. Customer value proposition by focus market segment
- c. Company Brand Development and Demand Generation Marketing Approach and activities
- d. Description

*Figure 5-2 Marketing Roadmap summary*

This is an example of an exhibit:

- 1) Organization Phase
  - a. Sales
    - i. Complete end user selling tools
    - ii. Define telemarketing resources
    - iii. PR and news worthy articles, drive brand
    - iv. Industry Analyst vision, prod. mgt., relationships
    - v. Establish level 1 web branding and pull program
  - b. Marketing
- 2) Build Traction Phase
  - a. Sales
    - i. Add sales personnel according to plan
    - ii. North America geography focus – primary
    - iii. 2nd Tier Industry Sectors: Financial & Business Services, Government, CPA & Law Firms
    - iv. Direct metrics to drive sales
  - b. Marketing
    - i. Expand web lead generation program
    - ii. Expand sales tools & testimonial stories
    - iii. Drive demand generation
    - iv. Participate in key industry exhibitions
    - v. Identify next focus markets
    - vi. Develop essential channel tools
    - vii. Secondary: one tier and geo. channel
- 3) Leverage Distribution Phase
  - a. Sales
    - i. Add sales
  - b. Marketing
    - i. Develop additional industry analyst resources
    - ii. Enhance we lead
    - iii. generation
- 4) Leverage Distribution Phase
  - a. Sales
    - i. Expand focus to key EMEA, A/P and LAC markets
    - ii. Formalize channel sales function
    - iii. Add global sales management resource
    - iv. Shift metrics to drive channel sales

- v. Add consumer sales (strategic partners)
  - b. Marketing
    - i. Tailor messaging to multinational markets
    - ii. Develop additional
- 5) Exploit Global Markets
  - a. Sales
    - i. Expand focus to key EMEA, A/P and LAC markets
    - ii. Formalize channel
- 6) Marketing
  - a. Tailor messaging to multinational markets
  - b. Develop additional industry

#### e. Sales Organization

Describe

#### f. Sales and Channel Programs

- Describe.

### **5. Design and Development Plans**

The nature and extent of design and development work and the money required before a product or service is marketable is included here. This section also details out the cost to create the MVP and the description of the MVP.

- a. Describe in detail the current status of each product or service and what remains to be done to make it marketable.
- b. List competencies that your company has or requires, to complete this.
- c. Describe any customer involvement/ feedback required during this phase.
- d. Identify any major anticipated design and development problems and approaches to find solution. List cost impact.
- e. Discuss the cost of this development effort and impact on cash flow projections on underestimating this cost.
- f. Describe any patent, trademark, copyright or other IP that you own or will secure, including any licensing or exclusivity rights.

### **6. Manufacturing and Operations Plan**

This section details the activities required to manufacture the product/ provide the service that you are offering and the cost of those.

- a. List and describe all the equipment that will be purchased to manufacture your product/ provide the service and the space that each will require. Prepare a flow diagram for manufacturing the product/ providing the service. Use this to prepare an internal layout of the facility.



- b. Describe geographical location of the place of business (include exact street address if available). Discuss any advantages/ disadvantages of the location. Will this location be built/ is it existing? Will it be leased or owned? The time and cost required to secure this facility.
- c. Describe any make vs. buy decisions and the basis for it.
- d. Calculate the time required to manufacture (and ship) one unit of your product/ provide one unit of service:
  - i. List all the steps necessary to do this.
  - ii. Calculate the time taken for each step. Extrapolate to total time for one unit.
- e. Describe operating policy – number of hours per shift and number of shifts per day.
- f. From d and e calculate number of units produced/ served during a calendar year. This is the operating capacity (ensure that this is greater than or equal to the number of units marketing is proposing to sell during the year).
- g. Calculate inventory needs and levels.
- h. Any space expansion expected in the next three years.
- i. Calculate operating cost (labor, material and overhead).
- j. Calculate capital cost (labor, material and overhead)
- k. Describe any specialized (or exclusive) labor/ material requirement and availability. List any costs or risks associated with this.
- l. Describe any state, federal or foreign regulatory requirements unique to your product/ service – licensing, zoning, EPA, FDA, etc. required before you can start operation. Are there any pending regulations and their expected timing?

## **7. Management Team**

This section describes the functions that will need to be filled and founder ability and willingness to fulfil these. It also describes when employees will be hired and for what roles.

- a. Organizations chart with description of key roles and which of those will be filled by founders. Describe exact duties and responsibilities of the roles.
- b. Founder qualifications to fill the roles. Any current or past situations where the founders have worked together.
- c. Detail any relevant career highlights, know-how, skills and track record that demonstrate founder ability to perform their role.
- d. Methodology of filling the missing roles: hiring vs. independent contracting. What is the availability of people qualified to perform in these roles.
- e. Complete CVs of each key member and founder.
- f. Detail management compensation and ownership. Compare this to what was received in the last job.
- g. Any employment agreements in place.
- h. Any investors in place.
- i. Identify board of directors being proposed and their qualifications. Discuss company's philosophy about the size of the board.

## **8. Overall Schedule**

This section shows the timing and the inter-relationship of major operational events necessary to launch a venture.

- a. On a GANTT chart list all the activities required to start the company, manufacture the product and sell the product.
- b. Next to each activity establish the realistic time required to complete it.
- c. List interdependencies between the activities based on pre-requisites and cash requirements.
- d. Discuss critical activities, delay in which could cause schedule slippage and steps that will be taken to avoid slippage.

## **9. Critical Risks, Problems and Assumptions**

Identifying and discussing risks demonstrate skills ad manager and increase your credibility with investor.

- a. List all assumptions and risks implicit in the plan.
- b. Discuss which of these are strategic (and the reason for assuming such risk), operational and environmental.
- c. Indicate which risks, potential problems and assumptions are most critical to the success of the venture and the mitigation strategies that are planned to minimize the impact of unfavorable developments for each such event.

## **10. Financial Plan**

This is basic to the evaluation of an investment opportunity and needs to represent your best estimates of financial requirement. This includes proforma exhibits as financial statements.

- a. Based on sales projections and operating cost projections, prepare the proforma income statement for 3 (or in some cases 5) years of projections
- b. Using the capital costs, expenses and income statement, create proforma balance sheet. Include on the balance sheet the capital required from the investors and associated equity stock.
- c. Project cash flows for 3 to 5 years. Discuss assumption for receivables and payables, trade discounts given, etc.
- d. Use Discounted cash flow method or ratio comparison method to value the company. Discuss sensitivity of this value to change in revenue projections, operating cost and capital cost.
- e. Calculate breakeven point in number of units and dollars.

## **11. The Offering**

This section summarizes the investment being sought, its uses and value that the investor will get in investing in the company.

- a. Based on the cash flow projections, how much money is being sought and when. How much of that will be secured through this offering and how much is planned via subsequent offering, founder funds, loans and lines of credit.  
Show the percentage of the company that the investors are being offered.
- b. Describe how the funds received through this investment will be used.
- c. Describe proposed exit strategy.