



BUSINESS PLAN OUTLINE

Introduction

A business plan is an essential document which outlines the objectives of the proposed business and the method of achieving these results. All relevant information concerning the purpose of the business such as, supply and demand in the market place, marketing details to attract potential users, cost of start-up, total loan requirements as well as anticipated returns should be components of the plan.

This detailed plan will allow you to:

- demonstrate viability of the operation
- organize your plan of action
- define your goals for success

The enclosed layout will guide you in providing information for your proposed business plan and assist you in organizing requirements for the establishment of your business. Although a few questions may not apply directly to your business, complete as much of the plan as possible. Feel free to contact the CFDC for additional resources or to schedule an appointment with a Consultant for assistance.

For more information, please contact:

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OUTLINE

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DESCRIPTION OF OUTLINE

1. COVER PAGE

- business name, address, phone number
- contact's name, address, phone number

2. EXECUTIVE SUMMARY

- summary of main facts and plans
 - funding requirements and sources
- Note: this section should be no more than one (1) page of the plan

3. TABLE OF CONTENTS

- Clearly detail all Section Headings and related page numbers in your plan

4. BUSINESS DESCRIPTION

- Describe your business in detail including:
 - a) product(s) and/or service(s) provided:
 - b) type of business (i.e. manufacturing, retail, service)
 - c) status of business (i.e. start-up, expansion, takeover)
 - d) ownership (i.e. sole proprietorship, partnership, corporation, franchise)
 - e) if a new business, give the anticipated opening date
 - f) describe the geographical trade area anticipated
 - g) list the hours of operation
 - h) describe any seasonal trends anticipated
- if an existing business:
 - a) provide a brief history of the operation
 - b) provide date of registration or incorporation
 - c) list sales, gross margins, and profits to date

5. Business Objectives

- Divide your objectives into the following categories
 - a) Short-term - list the measurable objectives you wish to achieve within the next 1-3 years in terms of sales, profits and number of employees (i.e. to secure a profit of \$30,000 in the first year of operation)
 - b) Long-term - detail the objectives you wish to achieve within 3-5 years (i.e. open a second location, hire two full-time employees, etc)

Note: You may have also developed some less measurable objectives that you wish to detail (i.e. to be known as the store with the most friendly staff).

6. MARKET DESCRIPTION

- **Environment**

The "environment" in which your business operates is something you cannot control. Any or all of the following environmental factors may have an impact on your business. Explain whether or not these factors will create threats and/or opportunities for your venture, and why.

- a) Demographics
 - i.e. aging population, increasing number of two-income families, more working women, increasing/decreasing population, etc
- b) Economic
 - i.e. interest rates, average income levels, unemployment levels, general economy of the country or region, etc.
- c) Social
 - i.e. increasing environmental concerns, changing moral values, etc.
- d) Technological
 - i.e. any new technological advances
- e) Political
 - i.e. any changes in government legislation, licensing, etc.

- **Competition**

- a) Estimate the number of competitors who sell similar products and/or services in your trade area
- b) Indicate if the number of competitors is increasing or decreasing and explain why
- c) Describe your competitors in either a chart format or write a paragraph about each one
 - Include the following information (if available):
 - Name and address of competitor
 - Age of business
 - Ownership (sole proprietorship, partnership, corporation, franchise)
 - Estimated annual sales
 - Estimated market share
 - Estimated number of employees
 - Major strengths/weaknesses
- d) Outline the strategy you will use to be competitive

- **Market (customers)**
 - a) Note how many potential customers there are in your trade area
 - b) Give a profile of your “target market”
 - i.e. the characteristics of those who are most likely to buy your product and/or service
 - **Industrial Market:**
 - i.e. type of business, size, product application, frequency and size of typical orders, decision-maker, etc.
 - **Consumer Market:**
 - i.e. age, income, family size, education, lifestyle, frequency of purchase, decision-maker, etc.
 - c) Explain why your target market buys the product(s) and/or service(s) you will sell and explain what need(s) are being filled by these product(s) and/or service(s).
 - d) List the major criteria your customers use when deciding who to buy from
 - i.e. price quality, delivery time, level of customer service, credit terms, reputation, product features, etc.
 - e) Explain why customers will purchase from you rather than your competitors

7. MARKETING STRATEGY

- **Product**
 - Fully detail the products and services you plan to sell (think of this as your “menu”)
- **Pricing**
 - a) List the prices you will charge for your product(s) and/or services
 - b) Show how these prices are calculated
 - c) Calculate the average cost of your product(s) and/or services(s)
 - material component
 - labour component
 - d) Provide the credit terms, if any, you will offer to your customers
 - e) List any discounts and/or allowances you will offer to your customers
- **Place**
 - a) **Location**
 - Describe your business location in detail
 - i.e. cost, access to customers, location of competition, appearance, zoning, security, access to transportation lines, parking facilities, traffic flow, access to employees, community services, compatibility of neighboring businesses, etc.
 - b) **Distribution (Manufacturers Only)**
 - Explain how you will distribute your product to the end-user
 - i.e. wholesalers, distributors, retailers, etc.

- List and describe any of the agents who have already agreed to distribute your product
- Include a copy of any contract(s) you have signed with your distributor(s) as an appendix to your business plan
- **Promotion**
 - a) Describe the methods you will use to promote your product(s) and/or service(s)
 - b) List all costs associated with your planned promotional ideas
 - c) Outline the amount you intend to spend on promotion in the next year and how the funds will be budgeted
 - d) Include detail on the following:
 - i. **Advertising**
 - Detail the form(s) of advertising that will be used to promote the business and why they will be effective
i.e. radio, business cards, newspaper, television, brochures, flyers, etc.
 - ii. **Personal Selling**
 - How you will personally communicate to others about your business and what it has to offer
 - iii. **Public Relations and Publicity**
 - Describe any plans you have for building positive public relations or obtaining free publicity for your business (this may include supporting local charities, contests, promotional items, etc.)

8. OPERATIONS

- **Personnel**
 - a) List the job titles and a brief description of all positions to be created/maintained by your business (include owner(s))
 - b) Indicate whether the job titles listed are full-time or part-time positions
 - c) Provide the wage or salary each of the employees will be paid
 - d) Detail plans to hire additional employees in the next 1 –3 years
 - e) Include the resume(s) of any owner(s) or key personnel in the appendices of this plan
- **Business /Technical Advisors**

List the names, addresses and functions of any individuals or organizations who will be working with you to ensure your business is a success
i.e. consultants, lawyers, professional associations, accountants, etc.
- **Suppliers**
 - a) List your major suppliers
 - b) List the product(s) and/or material(s) each supplier will sell to you, details on the credit terms you will receive, turn-around times, etc.
 - c) List back-up suppliers in case of emergency

- **Government Regulations**

List government regulations (business name registration, GST, PST, EHT, WCB, employee deductions, etc.) licenses, permits and insurance requirements that pertain to your business

9. FINANCIAL PLAN

- **Financing Requirements**

- a) List (be very specific) all items for which you require financing
- b) Provide an estimated cost for each item listed

- **Sources of Financing**

- a) list proposed sources of financing and the amount that you anticipate each source will provide to your business venture
- b) detail the repayment terms for each funding source
i.e. owner's investment, term loans, line of credit , venture capital, other investors, etc.
- c) include confirmation letters in the appendices for any lender(s) and/or investor(s) that have already agreed to help finance the business
- d) financial statement projections
 - i. projected cash flow statement (should be detailed on a monthly basis for a minimum of one year)
 - ii. projected income statement
 - iii. projected balance sheet
 - iv. break-even sales analysis
 - v. sensitivity analysis (i.e. worse-case scenario, best-case scenario)

- **Collateral for Loan(s)**

- a) List all of the items you and/or your partners/co-signers are willing to use to secure any loans as well as their estimated value.
- b) This security may include:
 - i. **Business Collateral:**
i.e. accounts receivable, inventory, equipment, vehicles, etc.
 - ii. **Personal Collateral:**
i.e. personal guarantee(s), home equity, vehicles, stocks, bonds, etc.

10. APPENDICES

- a) resume(s) of the owner(s) and key personnel
- b) personal financial statement of each owner (and their spouse, if applicable) (see form provided by the CFDC)
- c) letters of support from vendors/suppliers/customers
- d) copy of major contract(s)
- e) copy of lease or purchase agreement(s)
- f) quotation on any major planned purchases
- g) photos/maps of business area, store layout, competitors' locations, etc.
- h) promotional items (sample ads, brochures, menus etc.)