

## Business Plan Outline

Like accounting, there are generally accepted and recognized methods for writing an effective business plan. Individuals who read and evaluate a lot of plans like to see them in a clear, concise and consistent format. The trick is to use this standardized format while still telling your unique story. You may want to talk to other businesspeople that have written plans, contact professionals via the chamber, take a planning course, or buy planning software. The key is to write the plan yourself. *Nobody* knows your business better than you!

We recommend the following outline:

Cover

Table of Contents

Mission

Executive Summary

Management and Organization

Product or Service Plan

Marketing Plan

Operating and Control System

Growth Plan

Financial Plan

Appendix

### Cover:

Tells the reader who you are and how you can be reached. Many people include a picture of their product or service and feature their logo as well. Some people forget to put a cover on their plans!

### Table of Contents

Most people will not read your entire plan. An accountant wants to see the numbers; a sales consultant wants to see your marketing plan. They are likely to appreciate the fact that you told them where everything is in the document.

### Mission

This is where you put into words how you see your company and how you envision its future. It serves as the key statement on which your business plan will be based.

### Executive Summary

Arguably the most important part of your plan, precisely because it is the only part almost everyone reads! This is your best chance to get across what you want to do, and create interest. The summary should include elements of all the other business plan sections, yet be no longer than two pages. Think of it as a two page business plan. It should address all of the elements of your proposal including: How much money you want, how the funds will be utilized, and how they will be repaid. If you can not get capture attention here, it is unlikely anyone will read any further.

### Management and Organization

This section lets you list the primary job duties, what those responsibilities are, and who does them. This is where you establish credibility by discussing the background, experience and aptitude of your personnel. Those who will be reading and evaluating your business plan will be looking for evidence of a cohesive **Management Team**.

Investors would rather back a second rate idea with a great management team, than a first rate idea with a poor management team.

### Product and/or Service Plan

You must convey to the reader exactly what you are doing or making. You need to ensure potential investors that all the details have been considered and that you have no problems with your products. Remember not to get too technical. Your audience is much more interested in what your product does and what its potential is, rather than how it works.

### Marketing Plan

Frequently used on its own to convey your marketing approach, the marketing section is of vital importance if people are to become aware of your company and purchase your product.

Typically, the marketing plan has four parts: A profile of your industry, a look at your competition, how you are going to market your product/service (and to whom), and how it will be priced.

This is often a poorly written section as a good marketing plan requires investigation, research and analysis. Many businesspeople are good at selling, but not effective market planners.

Don't just say you are going to advertise in the Yellow pages or Florida Times-Union. Tell people *why* you are choosing those advertising venues and how they reach *your* customer.

### Operating and Control Systems

This is where you demonstrate that you have implemented a system to make your business run effectively. Potential investors want to see that you have a schedule and that you recognize that there are sequences of events from the time and order is received through fulfillment.

### Growth Plan

What will your company need in the future? What are your long-term expansion plans? Investors want to know that you are not a "flash in the pan" and are looking at the big picture. Try to make assumptions based on solid information. Don't just increase your sales by the same percentage every year. Most growth plans look three years into the future.

### Financial Plan

This is a very important component of your plan, and it is appropriate that it is shown last. The previous sections show how you led up to this meaningful financial information. This is where you analyze what dollars will be needed to implement the business plan.

You need to show a *budget* that accurately reflects all of the areas in which you are spending funds. Some areas are projected based on *assumptions*. The assumptions you make will show how the budget figures were derived. You will have to defend your assumptions by having a good reason for your financial decisions.

*Projections* show the reader how much cash is flowing through the business and reflect your monthly pre-tax income. It is not surprising that investors are very interested in these figures.

Your *income statement* shows how well the business has been doing over a stated period of time. The *balance sheet* looks at a specific time, and *ratios* look at the business at various points of time.

This in itself is why business plans have to be updated often. Financial information must be as recent as possible in order to be credible.

The *executive summary* and *financial plan* are your most read sections of a plan, so put the appropriate amount of time into both.

### Appendix

This is where you put other salient information you want your reader to have. Typical components found in the appendix of a business plan are resumes of key personnel, news articles about the company, contracts, patents, photographs of the product, and letters of reference.

This can be a valuable section if done correctly. Avoid clutter and meaningless information. Strive to place the information in order consistent with the other sections of the plan. You can cite appendix information as you write the other sections of your plan, but do so sparingly.

While any plan is better than no plan at all, a well conceived, well written business plan can make all the difference between investor interest and investor apathy. Smart companies have great business plans. Do you think your competition wants you to have a plan?