

Components of a Comprehensive Business Plan

A comprehensive business plan should have eight basic sections (or nine sections if you are preparing the plan to seek financing). Those sections are: Executive Summary; The Company; The Product or The Service; The Market; The Marketing Strategy; The Operating Plan; The Management Team; The Financial Request (optional); The Financial Projections.

I. **Executive Summary**

- Begin with a summary of the business designed to catch the reader's attention.
- Brief description of the business; product / service; investment opportunity.
- Logically it is best to do this section last.

II. **The Company**

- Describe nature of your business.
- Be specific about business structure: corporation, partnership or sole proprietorship, or franchise.
- Legal status: profit or nonprofit.
- Type of operation: manufacturing, retail or service.
- Length of time in business.
- Location of plant and office.
- Short and long term business goals.

III. **The Product or Service**

- Clear explanation of product / service: photos or diagrams.
- Define the niche your product / service fills in the marketplace and identify what makes your product or service different or special.
- If trademark or patent is warranted, explain what steps are being taken to secure protection.

IV. **The Market**

- Identify who will buy your product / service and why.
- Provide historical, current and projected marketing data for product / service, market niche and industry.
- Present information from independent sources to support your product's/service's profit potential, and present any product/service-specific marketing research you may have conducted.
- Include analysis of competitors, identifying their major strengths and weakness: show how your business will differ from theirs.

- V. **The Marketing Strategy**
- Explain how you intend to reach your target customer(s).
 - Give comprehensive description of your marketing mix: Product/Service Plan; Pricing Plan; Promotion Plan; Distribution Plan.
 - How will you package and position your product in the market place.
- VI. **The Operating Plan**
- If a manufacturing business: How will you deliver your goods within specific time frames. Describe your manufacturing process, potential production volume and sources of labour and materials.
 - If a service business, a similar detailed description is needed.
 - Operating hours etc.
- VII. **The Management Team**
- Identify the professionals you have gathered to launch your venture or to take you to the next level of success.
 - Identify key personnel and carefully outline their responsibilities; provide resumes or biographies for each officer of the company.
 - Identify your advisory team, if applicable.
 - Include one paragraph summary.
- VIII. **The Financial Request (Applies When Seeking Financing)**
- What you want, on what terms, profit potential of business, proposed potential of business, proposed return on investment.
 - Indicate that you are seeking a loan and reasons why: capital investment, working capital etc. Spell out loan repayment plan. Include Sources and Uses of funds outline.
 - Include one paragraph summary.
- IX. **The Financial Projections**
- Make sure projections support written information in your narrative description (example: If you described a nationwide advertising campaign, an annual projection of \$5,000 for advertising and promotion does not quite fit the bill!).
 - Include at least three years' projections of Profit and Loss Statements and Cash Flow Statements. The first year is usually projected over a twelve-month period, while 2 and 3 can be quarterly.
 - Provide Balance Sheet information at least before operation.
 - Break-even analysis is also helpful.
 - Statement of assumptions to financial projections outlining how the figures were derived.