

# Sections of business plan

## Executive Summary

An executive summary is a one- or two-page summary of your entire business plan. It's often easiest to write your executive summary after you've finalized all the details within the plan itself. Ideally, the executive summary can act as a stand-alone document that covers the highlights of your detailed plan. In fact, it's very common for investors to ask for only the executive summary when they are evaluating your business. If they like what they see in the executive summary, they'll often follow up with a request for a complete plan, a pitch presentation, and other data about your business.

## Market Analysis

Market analysis should include:

- A sketch of targeted customer segments, including size and demographics of each group.
- An industry description and outlook, including statistics.
- Historical, current and projected marketing data for your product/services.
- A detailed evaluation of your competitors, highlighting their strengths and weaknesses.

## Company Description

Brief description of your company including the nature of your business and factors that will make your business a success. Include a description of how your product or service will meet a need and any potential clients identified as having that need.

This section should include:

- A detailed description of your product/service that emphasizes customer benefits.
- An explanation of the market role of your product/service and advantages it has over competitors.
- Information about the product/service's life cycle.
- Relevant copyright, patent, or trade secret data.
- Research and development activities that may lead to new products and services.

## Management and Organization

Details about ownership of company, management and board of directors (if applicable). Qualifications, experience and education are important to provide readers with an insight as to how these individuals fit into the organizational structure and what they can bring to the table in their designated roles.

If you have a few advisers or people who help you to manage your business, this is where you acknowledge their involvement and the capacity by which they contribute to your overall success. Also, if there is a hierarchy of positions within your company, you would detail that hierarchy and the relevancy of each relationship.

## Marketing and Sales Management

Describe the marketing strategy and how you intend to drive sales. Include market penetration strategy, growth strategy, distribution strategy and communication strategy. Sales strategies should also be included to provide information on sales staff and activities.

Describe the activities you will use to promote and sell your product or service. You should touch on each of the "four Ps" of the marketing mix:

- Product — how does your product or service meet the needs of your target market?
- Price — how much will you charge for your product or service and why?
- Place — how are you going to get your product to your customers?
- Promotion — how will you connect with your target market?

### Product or Service Line

Describe to readers what you are selling and how the product or service will benefit current and potential customers. Provide evidence that your company offers a product or service that serves as a solution to a problem identified by your target market. Information regarding service or product costs, suppliers and any new services which may be added should be included in this part.

### Request for Funding

Include current and future funding requirements, how that funding will be used and long range strategies that impact funding request. Any factors which directly impact your ability to repay your loan should be included, such as acquisitions, sale of the business in future or a buyout.

Things to consider:

- How much capital do you need, if you are seeking external funding?
- What security can you offer to lenders?
- How do you plan to repay any borrowings?

### Financials

Both past financial data (if applicable) as well as prospective financial data will be required by potential lenders. Include the following financial statements for the past three to five years; cash flow statements, balance sheets and income statements. The same statements should be prepared with forecasted data for the next five years.

Be realistic! You'll need to provide a record of your financial dealings, investments, if any, and how you came to the position you are in today. With some flexibility, you can project how your company will be operating and assess your financial status, including how things balance out at the end of each month, the overall financial health of your business and your cash flow.

### Appendix

A separate section which should not be included in the main body of the business plan is the Appendix. Proprietary and confidential information may be part of the appendix and as such should not be easily accessed by all individuals requesting your business plan. Creditors may need access to this information, therefore it should be available on an as-needed basis. Documents which may be included in the appendix include market study details, reference letters, personal and business credit history, patents, permits, contracts and contact information for consultants.