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 attention of the reader.
   - Brief description of the business; product / service; investment opportunity.
   - Logically, it is best to write this section last, but it should come first.

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.