



Activity 18: Writing the Business Plan

Developing a business plan is an exciting phase of starting a business. Use the outline provided below as a guideline for developing a plan for making your business dream come true. As you work on your plan, remember that the goal for this course is to develop a business that could grow large enough to eventually go public. Your business plan should show potential lenders and/or investors exactly how you plan to accomplish this goal and what each phase of business growth might look like.

Aim for a business plan that is approximately 20 pages in length. If you are taking this course for a grade or for credit, you will turn in this very important assignment to your advisor or teacher. Be sure to keep a copy for yourself, so you can refer to it in Lessons 10, 11, and 12.

Business Plan Outline

Title Page: List the name of your company, the address and phone number, and your name and title within the company.

Table of Contents: List the main sections of your business plan and provide the page number where each section begins.

Executive Summary: Referring to the work you did in Activities 4, 12, and 14, give an overview of your business concept. This is where you introduce your business strategies and entice lenders/investors to read the rest of the business plan. Convey your vision for the business and give some key reasons why you believe you will succeed. This section should be at least 1 page, but no more than 2 pages.

The Company:

- Provide a brief history of your company and your products along with key information about the evolution of your market and/or industry.
- Describe the company's current status and proposed business strategies.

Goals and Objectives:

- **Start-up Phase**
- **2nd Phase**
- **3rd Phase**
- **Going Public**

Market Analysis: (Refer to Activities 5, 12, 14, 16, and 17.)

- Explain the general conditions in the market and the overall economy that will influence your rate of business growth.
- Describe any changes you expect in the market or the economy in the future and how these will affect your company.
- Provide details about the customer groups you plan to target, supporting this information with research you have gathered.
- Explain what evidence you have that your target customers want/need your products and/or services.
- Give an honest evaluation of your competitors, including their strengths as well as their weaknesses and the estimated percentage of the market they influence.
- Explain why you believe customers will buy from your business rather than your competitors.

(Please print this form and use it for reference while writing your plan.)

Products and/or Services: (Refer to Activities 3, 5, 12, and 14.)

- Describe all of your products and/or services and summarize their most important or unique features.
- Show the cost of goods for each product/service and provide a price list showing wholesale prices (if applicable to your business) and retail prices.
- Explain your pricing strategies, discounts, warranties, etc.

Sales and Promotions: (Refer to Activities 5, 14, and 15.)

- Describe your marketing strategies and techniques. Explain how you are going to tell people about your products/services. Provide samples of your logo, newspaper ads, flyers, brochures, and/or webpage.
- Describe your sales representatives, their credentials/experience, and how your sales department will be structured.
- Describe your plans for public relations and special promotions.

Operations: (Refer to Activities 7, 9, and 14.)

- Provide brief bios of key personnel, as well as a flow chart showing your proposed organizational structure as the company progresses.
- Provide job descriptions for key employees and managers, and explain your hiring process.
- Describe your plan for producing and delivering your products/services.
- Describe your customer service policy and plans.
- Describe your current business facilities and your vision for future facilities as the company grows.

Financials: (Refer to Activities 3, 6, and 7.)

- List your start-up costs.
- List your monthly operating expenses.
- Create estimated monthly profit-and-lost statements, balance sheets, and cash flow projections for the first 6 months of your business.
- Provide estimated quarterly profit-and-loss statements, balance sheets, and cash flow projections for the second 6 months of Year 1 and all of Year 2.
- Explain how much of your own money and/or assets you are investing to launch the business and how much capital you currently need to raise through loans or investors.
- Describe any collateral you have for a loan or what percentage of the business you are prepared to sell to an investor.
- Describe future funding that will be necessary to obtain in order for the business to grow, including details about when you expect to reach the point of raising capital by going public.

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