

Business Plan Template/Guide **(as edited and condensed from the template used by Good Works Ventures)**

The following is a useful tool to help you address your business plan. It is by no means required that your business plan be in exactly this format – we are simply offering it as a guide for interested parties that are looking for a little assistance. Likewise the questions and suggestions presented here are by no means exhaustive – they are there to get you thinking about the types of things we’re looking for. You should focus on the strengths and competitive advantages of your business in an order that makes sense to you. **Always be thinking about how your business plan maps to your financial projections and address where appropriate.** In terms of length keep it as short as possible while providing all the information necessary. (Helpful, right?)

Executive Summary (No more than 2 pages)

1. Business Description – One to two paragraph pitch about the business. What does this business do? What makes the business special? Why is it something we should keep reading about?
2. Ownership and Management – Explain specifically who owns the business and under what terms.
3. Key Initiatives and Objectives – What is the purpose of this document? To obtain financing? If so what will the financing be used for?
4. Summary of Financial Projections – What growth are you projecting for the next three years? Revenues and profits over that time period? Short explanation about why your growth projections are realistic.

I. Company overview

In the company overview section we are looking for a description of your company and business

1. When was it founded?
2. What makes it special?
3. What products or services do you sell?
4. Who do you sell them to?
5. Overview of historical financials
 - o What are your sales and profits for the last 2 years?
 - o How fast have you grown?
 - o What kinds of margins are you experiencing?

This section is similar to the Executive Summary (1) but with more detail.

II. Operations

In this section details the people and processes that make your business work. Outline employment, major pieces of equipment, intellectual property and how your product or service is produced. Answer the following questions:

6. How many full-time equivalent personnel are on staff?
 - a. How do they fit in your day-to-day operations?
 - b. What type of space do you work in?
7. Do you lease or own?
 - a. Will this property accommodate growth for the next several years or are you going to have to move?
8. Describe any pieces of specialized equipment that you own.
9. Describe any intellectual property that you own or have licensed for your venture.
10. Describe sourcing and processing procedures you have to apply to any raw materials you may use.
11. For software or less tangible product companies outline the methods you use for developing a new software product. What does the planning phase look like? How do you manage the development process?
12. How do you ensure you're delivering a quality product or service?
13. What are the steps you follow to get from input to output?
14. What are the near term operational goals? (This section can be presented as a table).
 - a. Are you going to be hiring more people?
 - b. Purchasing new equipment?
 - c. Entering new markets?

III. Management and Staffing

This section is for highlighting the skills and experience of your management team, staff and board of directors. Write a mini-biography for each member of your management team, key employees and members of your board. Include a paragraph or two on employment outside of those individuals mentioned explicitly in the staffing section. These questions might help think about what to include:

1. What experience do these individuals have in your industry?
2. Do they have special skills that make them unique and a valuable asset?
3. What are their backgrounds?
4. Have they won any awards in their fields?
5. Are they actively involved in any organizations pertinent to your industry?

IV. Market Size and Demand

Here you want to make a case for the size of the market you are entering/involved in and whether or not the market is growing. You want to match the market you are in with market

size estimations as close as humanly possible. If you sell organic juice drinks in Canada find data on the organic juice drink market in Canada and not all drinks ever sold in the whole world. Industry trade organizations can be a great source of information on this topic.

1. What is the current size of the market?
2. What has growth of this market looked like over the past 5-10 years?
3. If you have historical financial information how has your growth compared to market growth?
4. Will the market continue to grow/stagnate/shrink? Why?

V. Market Opportunity

Here you want to speak directly to who your product/service is currently selling to and where you would like to see selling in the future.

1. Who are your current customers?
 - a. What do your orders from them look like (size, frequency, etc)?
 - b. Have your orders been increasing, decreasing or staying the same?
 - c. Where your customers are geographically located?
2. Do you have any big, pending deals in the works?
3. Who are the customers you are going to use to meet your growth projections?
 - a. How are you accessing them?
 - b. What is your sales plan?
 - c. How will these new customers map to your sales projections?
4. What obstacles will you face as you grow your business and how will you overcome those obstacles?
 - a. Will you be able to source and process enough product?
 - b. Are you going to have any trouble hiring the numbers or quality of people you need to meet growth demands?
 - c. Will you have enough cash flow to purchase any new equipment you may need?
 - d. Will you be able to store enough inventory to meet demand on a timely basis?

VI. Competition

For competition we want to know where customers are going to solve the problem you're solving if they aren't going to you. While there may not be someone in exactly your same space that doesn't mean you don't have any competition. Let's say you produce a light-up robotic frog that follows you from room to room to provide you personalized illumination. It's likely there are few, if any, other light-up robotic frog makers you compete with directly but there are a number of ways to illuminate your space sans frog. Those solutions should be considered your competition with more time and space being spent on competitors that most closely match your product or service.

1. Who are the leading industry players?

- a What are their sales?
 - b What competing products do they offer?
 - c How closely do they compete with you?
 - d Is there a chance they could co-opt your value proposition and steal your customers?
2. Who are the smaller, niche players?
 3. How does your pricing compare to each group?
 4. How do you compete against each of these groups?
 5. Why do/should consumers choose your product over your competitors'?

VII. Financial Plan

The financial plan section should first address your requirements. What are you seeking? Debt financing? Equity financing? What are the terms you are asking for? Why do you need this money? What will it be used for?

Section 2 should be used for discussing your income statement and income statement projections. What were the details of your sales for the last 2-3 years? Fine grained details can be left to the actual financial projections and data you provide but you will want to at least touch on gross income, gross profit and net income within your business plan. If there were any anomalies in your financial data, like that sales dropped by half one year, explain them. You will also want to address your 3-5 year projections. What kind of growth are you expecting? Why is that growth realistic? How will you accomplish that growth? What will your revenues and profits be for the next 3-5 years?

Section 3 should be a summary version of your balance sheet outlining your main current assets, fixed assets, other assets and liabilities and equity.

Section 4 is to present the assumptions you made when creating your financial projections. How certain are you your projections will be met? What are the risks that could keep you from meeting your projections?

VIII. Risks and Conclusion

Conclude with a short summary of your goals for the next year, why you believe you will be successful at reaching those goals, and how you plan to overcome the risks associated with those goals. State again what you are asking for, why you need it and why you can be trusted to pay it back or offer a return on investment.