



SME - Business Plan Template


BUSINESS PLAN


Business Plan Template for Small Business



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Executive Summary



REMEMBER

The Executive Summary is the first page of your business plan (for Readers), but it should be the last chapter you write. It acts as both the introduction to, and the summary of, your entire idea. In other words, your Executive Summary is your business plan's highlight reel. It should summarize the key points that you have written in the rest of your business plan, including a brief description of your business, your mission statement, goals, Vision, Traction Statement, Financial summary, credit request, and a description of how you will

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Business Description



TIP

Provide a brief description of your operation. In a few sentences, help people who are unfamiliar with your business develop an understanding of what you produce, the size of your operation, and how you market your products.

This may be very similar to the Business Overview section you wrote in the Business Description section of your business plan.

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Mission Statement



TIP

A mission statement describes the fundamental purpose of your business, *| what you do, why you do it, and for whom you do it.*

It identifies your products, services, and customers. A good mission statement can be used to define your business both internally and externally to employees, partners, shareholders, customers, and lenders.

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Goals



TIP

Goals help you communicate to others what you expect your business to accomplish. They should be specific, measurable, and attainable. You may want to include separate business and personal goals, as well as considering both short term and long term perspectives.

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Plan Summary



TIP

Give a brief summary of your business plan. If you are starting a new business or making changes to your current business, describe what you intend to do, how you plan to do it, and the expected results. In particular, summarize your financial plan and your marketing plan. You may want to describe the key reasons you expect your plan will be successful.

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Capital Request



TIP

The most common reason for developing a business plan is to be able to present your ideas for a new or expanded business to investors or lenders. After you have described your plan, they will want to know how much money you need and the purpose for which you need it. Use this section to communicate your capital requirements along with the major purposes for which the funds will be used.

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Business Description



REMEMBER

Use this section and the following subsections to describe your business.

If you want a very brief business plan, write a full description in this main heading section and skip the sub-sections. You can delete subsections using the delete button.

If you are writing a more thorough and comprehensive plan, write a

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Business Overview



TIP

Briefly describe your business.

- What products do you produce, or what services do you provide?
- What are your primary markets?
- What is the size of your business?
- How many employees do you have?

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Location



TIP

- Where is your business located?
- Do you have multiple branches or locations?

You may want to enter the legal description of your business. Describe the advantages of the location for your value-added enterprises.

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Facilities



TIP

Describe the size, type, and quality of your facilities and equipment. What about processing or marketing facilities? Describe the condition of your equipment and facilities.

If the reason for your business plan is to start or expand a value-added business, what additional facilities or equipment will you need and how will you obtain them?

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Business History



TIP

Describe the history of your business and your value-added enterprise(s).

- When and how did it start?
- How long have you owned or managed it?

Describe how your business has changed in size, sales, and profitability since you started managing it.

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Ownership Structure



TIP

Describe the ownership and legal structure of the business.

- Is it a sole proprietorship, partnership, corporation, limited liability partnership, or cooperative?
- Why did you choose this particular ownership structure?
- If there is more than one owner, what proportion is owned by

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Owners

Operations



REMEMBER

Use this section and the following sub-sections to describe the operations of your business, including what you produce, how much you produce, and how you produce it.

- How do you manage inventory, product quality, customer service, and risk?

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Products



TIP

If your business sells any products, provide a short description of each of the primary products you produce. You may want to describe the relative importance of each product to the overall profitability of your business. If you have more than a few products, you may want to describe categories of products.

If you have been a more traditional commodity producer and are w

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Services



TIP

If your business sells services (i.e. custom work, hunting leases, tourism, consulting) provide a short description of each of the primary services you provide. Indicate the volume or quantity of each service. If you offer more than one service, describe the relative importance of each to your business's profitability.

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Production System



TIP

In this section, discuss how it is that you do what you do. Describe your production or service delivery processes (manufacturing, etc.).

- Do you use any special production technologies? Why?
- What advantages or disadvantages do your production processes give your business?

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Customer Service



TIP

Good customer service is critical to maintaining and growing your customer base and is important whether you sell products or services. Describe what you do to provide good customer service.

- How do you handle quality or timing issues with your products or services?

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Inventory Management



TIP

- How important is inventory management and storage for your business?
- Do you produce and distribute your product quickly or do you carry an inventory?
- Can you improve profits by turning your inventory more quickly?
- Do you produce perishable products that can only be stored for a limited time?

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Licenses, Permits & Regulations



TIP

Obtaining permits and understanding regulations are important factors when considering changes in any business. If your business requires licenses or permits (either now, or as a result of any changes you are planning to make in connection with this business plan), list the permits or licenses that you will need to obtain, the agency you need to obtain them from, the process or requirements to apply for them, any cost, and the timing needed to

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Patents and Trademarks



TIP

If you have patents, brands, or trademarks, or are in the process of obtaining them, document them and describe why they are important for your business.

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Risk Management



TIP

There are many risks associated with businesses, including production and weather risks, natural disasters, market and price risks, health and worker safety, legal liabilities, and financial risks. In this section, describe the methods and tools you use to manage risk.

Describe your insurance coverage and your legal counsel. If people come on your property for activities such as hunting or pick-your-own

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Environmental Issues



TIP

Environmental concerns and regulations are an important part of managing some business. Describe the environmental considerations associated with your enterprise(s) and how you address them.

Use this section to tell others how you are doing a good job addressing environmental issues or what concerns you have on your business you plan to address them

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Quality Control



TIP

- What do you do in your business to deliver consistent, high-quality products or services?
- How do you build or maintain your reputation?

If you handle food products, describe how you are addressing food safety concerns.

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Implementation Timeline



TIP

You have described your strategy. Now it is time to describe how you will get to where you want to be with your business. If you are going to be making major changes in the business, describe what will happen during the transition period.

If you are starting or making changes to your business, outline the major steps that must be accomplished in order to implement

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Market Analysis

Industry analysis



TIP

Give a brief overview of the industry. Define the industry in terms of historical background, the geographic area it services, and the products it offers. Describe how your company will position itself within the industry. Focus on how your company can take advantage of opportunities identified within the industry. Describe the results of the market research you have performed.

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- Is the area experiencing population growth?

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Market Trends



TIP

Describe the market trends for your primary products or services and how they will impact your business.

What opportunities do these trends open up for your business? What threats or challenges do they create?

What changes might be on the horizon for your product's markets?

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Customers



TIP

- Who are the customers for your primary products?
- Do you anticipate those customer changing? If so, what are the characteristics of these new customers that must be factored into your marketing plan?
- What opportunities does this open up for your business?
- What threats or challenges does it create for your business?

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Market Segments



TIP

Market segments are groups of customers that have similar needs or who will respond similarly to a marketing approach. You probably have different groups or types of customers to which you market your products.

Common ways to segment markets include geography (such as rural, urban, or city size) or by demographic (such as age, income level, gender, or ethnicity). However, do not forget about alternative market segment traits such as lifestyle or values.

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Target Market



TIP

Who are your target markets? Identifying and understanding the market segments does not mean they will all be markets that you want to target.

- Is a market segment large enough to justify targeting it as one of the primary markets?
- Is it an emerging or growing market?

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TIP

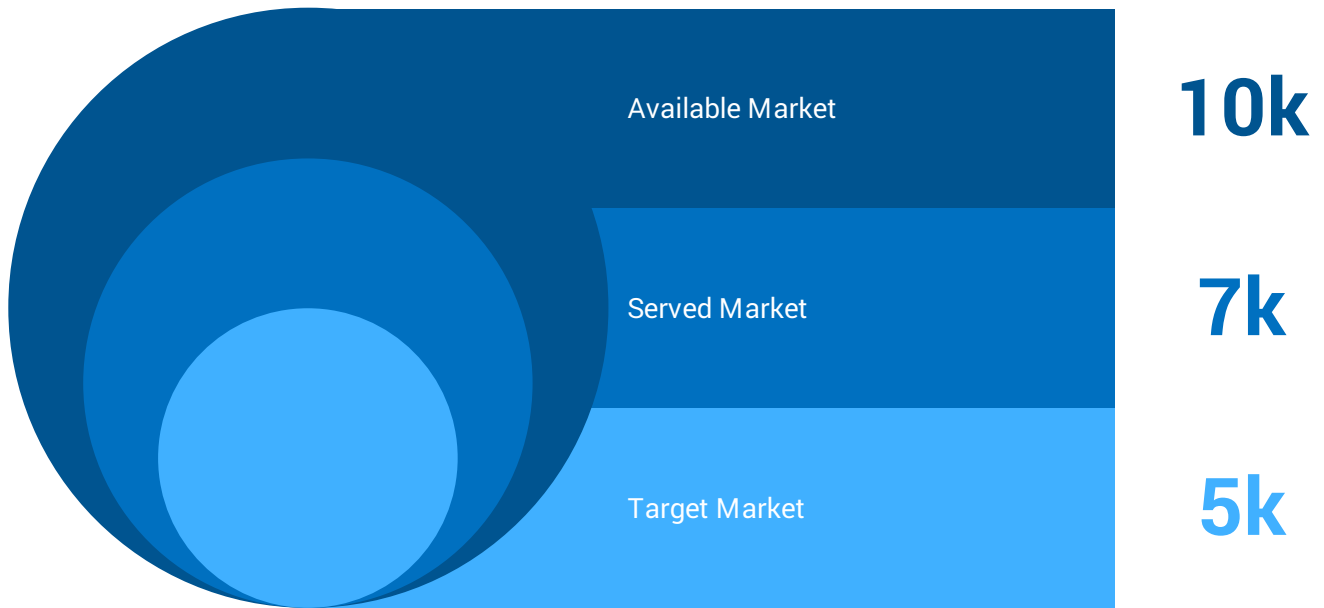
Indicating to your readers that your problem addresses a big enough market will play a huge role in how excited they'll be about getting involved in helping your company. This is where you'll want to put your research cap on and start uncovering some numbers that help your reader better understand:

- How big the market is (locally/nationally/internationally)?

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Market Size & Growth

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Marketing Plan



REMEMBER

Use your marketing plan to describe what products you are marketing, how you will market the products when you will market the products, and to whom you will sell the products. A marketing plan includes an analysis of the market, determining your competitive position in the market, identifying market segments, and which segments you will target, pricing, promotion, and distribution plans.

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Marketing Contracts



TIP

Describe contracts that you have to produce and market products with processors, other producers, value-added ventures, or retail markets. If you provide services, describe the contracts that you have to deliver your services. Are there new contracts that you need to establish to produce your value-added products or services?

What products do you produce on contract and what portion of your

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Strategic Partners



TIP

- Do you have strategic marketing, purchasing, distribution, promotion, or development alliances?
- How important are they to your business?
- Do they strengthen your position in the industry?
- Are you dependent on them for your success?
- Are there new strategic alliances that you want to establish?

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Pricing



TIP

List the prices that you charge for your primary products or services. Why do you charge these prices? There are generally two major factors that determine prices: your cost to produce the product or provide the service, and the market price of comparable products or services.

- How do your prices compare to competitive products or services?

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Promotion



TIP

How will you promote your products or services? Your promotion plan will be different if you have an established market and name recognition compared to promoting new products or starting a new business.

If you are a new business or have new products or services, how will potential customers become aware of these? If you are an established business, how will you expand your sales, how will you utilize your existing reputation and

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Distribution



TIP

How do you distribute your products or services to your customers? Do you distribute to wholesale or retail markets? Do you distribute your products geographically; locally, regionally, nationally, or internationally?

Do customers come to your location or do you deliver your product or service to them? Do you have a retail building? Can customers order products from you online, by phone, or by mail? If you take orders, how fast do you

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Competitive Advantage



TIP

Who are your competitors? How well do you compete with them? Are your products different? Do you produce at a lower cost? Do you have better delivery or customer service? Do you have better market access? Do you have better brand recognition or customer loyalty?

What are the unique strengths and weaknesses of your business? What strengths can you capitalize on and what weaknesses do you need to address?

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SWOT Analysis

Strengths

Mention positive tangible and intangible attributes. Internal to your organization. which are within the organization's control.

S

Weaknesses

Factors that are within an organization's control that detract from its ability to attain the core goal. In which areas might the organization improve?

W

Opportunities

External attractive factors that represent the reason for an organization to exist and develop. What opportunities exist in the environment which will propel the organization?

O

Threats

External factors, beyond an organization's control, which could place the organization's mission or operation at risk. The organization may benefit by having contingency plans to address them should they occur.

T

Management & Organization

Management Team



TIP

List the members of your management team. Briefly describe their qualifications and their management roles. What major management functions need to be handled in your business? Are there gaps in your management team that need to be filled? How will management change as the business grows and expands?

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JOHN DOE

CEO - johnd@example.com

Briefly describe his qualifications and his management/business roles.

Board of Directors



TIP

If you are a corporation with a board of directors, list the board members, their affiliations, and the strengths they bring to your business. Describe how the board functions and how it participates in or oversees the management of the business.

If you do not currently have a board of directors, but intend to have one in the future, describe the qualifications you will seek in board members.

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JOHN DOE

Board Member - johnd@example.com

Advisory Board



TIP

Some businesses have an advisory board rather than a board of directors. If you have an advisory board, list the board members, their affiliations, and the strengths they bring to your business. Describe how the board functions and how it contributes to the business.

If you do not currently have an advisory board, but intend to have one in the future, describe the qualifications you will seek in board members.

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JOHN DOE

Advisory Board Member johnd@example.com

Personnel Plan



TIP

List the major tasks, including operations, marketing, and financial, that must be accomplished in your business and describe who is responsible for each task or how many employees work in each area.

If your business plan includes making major changes to the business that will require new positions or functions, talk about how you plan to fill those positions.

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Professional Services



TIP

Many of today's businesses hire professional services or consultants, like custom operators, accountants, tax preparers, and veterinarians. Professional services could include accounting, marketing, financial planning, crop scouting, nutrition, etc. If you use outside professional services to help you with some aspects of the business, list them here, and describe their functions.

If you are starting or expanding a business, you may want to list the

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Financial Plan

Financial Position



TIP

The financial position of your business communicates the financial resources you have available and your ability to withstand future risks. Your financial position can be evaluated in terms of the solvency and liquidity position of your business.

Document your solvency by including and discussing your balance sheet. Your balance sheet indicates how funds are invested in the business (as

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Historical Performance



TIP

Historical performance is considered a good indicator of future performance. Document key financial and production measures from the past three to five years and show the trends for yields, production levels, net income, and other key measures.

An income statement documents your business's profitability. Include and summarize your income statement for the past year and discuss v

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Financial Projections



TIP

If you are starting or expanding a business, your financial projections may be the most important component of your business plan. How do you know if your plans will be financially feasible and how will you communicate your financial projections to others? Most lenders or investors will want to see projected cash flow, income statements, and balance sheets.

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TIP

A projected income statement will document your income, expenses, and profitability when your plan is fully implemented. It is an important tool to help you determine if your plan is financially feasible.

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Income statement

	Year1	Year2	Year3	Year4	Year5
Revenues					
Product/Service-A	\$151,200	\$333,396	\$367,569	\$405,245	\$446,783
Product/Service B	\$100,800	\$222,264	\$245,046	\$270,163	\$297,855
Total Revenues	\$252,000	\$555,660	\$612,615	\$675,408	\$744,638
Expenses & Costs					
Cost of goods sold	\$57,960	\$122,245	\$122,523	\$128,328	\$134,035
Lease	\$60,000	\$61,500	\$63,038	\$64,613	\$66,229
Marketing	\$20,000	\$25,000	\$25,000	\$25,000	\$25,000
Salaries	\$133,890	\$204,030	\$224,943	\$236,190	\$248,000
Other Expenses	\$3,500	\$4,000	\$4,500	\$5,000	\$5,500
Total Expenses & Costs	\$271,850	\$412,775	\$435,504	\$454,131	\$473,263
EBITDA	(\$19,850)	\$142,885	\$177,112	\$221,277	\$271,374
Depreciation	\$36,960	\$36,960	\$36,960	\$36,960	\$36,960
EBIT	(\$56,810)	\$105,925	\$140,152	\$184,317	\$234,414
Interest	\$23,621	\$20,668	\$17,716	\$14,763	\$11,810
EBT	(\$80,431)	\$85,257	\$122,436	\$169,554	\$222,604
Net Operating Loss	(\$80,431)	(\$80,431)	\$0	\$0	\$0
Income Tax Expense	\$0	\$1,689	\$42,853	\$59,344	\$77,911
NET INCOME	(\$80,431)	\$83,568	\$79,583	\$110,210	\$144,693
Net Profit Margin (%)	-	15.00%	13.00%	16.30%	19.40%



TIP

Projected cash flow will help you determine if your plan can meet expenses, make debt payments and make it through the transition period.

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Cashflow

	Year1	Year2	Year3	Year4	Year5
CASH FLOW FROM OPERATIONS					
Net Income (Loss)	(\$80,431)	\$83,568	\$79,583	\$110,210	\$144,693
Change in working capital	(\$11,340)	(\$1,625)	(\$2,350)	(\$2,133)	(\$2,409)
Depreciation	\$36,960	\$36,960	\$36,960	\$36,960	\$36,960
Net Cash Flow from Operations	(\$54,811)	\$118,902	\$114,193	\$145,037	\$179,244
CASH FLOW FROM INVESTMENTS					
Investment	(\$246,450)	\$0	\$0	\$0	\$0
Net Cash Flow from Investments	(\$246,450)	\$0	\$0	\$0	\$0
CASH FLOW FROM FINANCING					
Cash from equity	\$0	\$0	\$0	\$0	\$0
Cash from debt	\$317,971	(\$45,424)	(\$45,424)	(\$45,424)	(\$45,424)
Net Cash Flow from Financing	\$317,971	(\$45,424)	(\$45,424)	(\$45,424)	(\$45,424)
SUMMARY					
Net Cash Flow	\$16,710	\$73,478	\$68,769	\$99,613	\$133,819
Cash at Beginning of Period	\$0	\$16,710	\$90,188	\$158,957	\$258,570
Cash at End of Period	\$16,710	\$90,188	\$158,957	\$258,570	\$392,389



TIP

You may also want to develop a projected balance sheet to evaluate how your plan will impact your solvency or net worth.

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Balance Sheet

	Year1	Year2	Year3	Year4	Year5
ASSETS					
Cash	\$16,710	\$90,188	\$158,957	\$258,570	\$392,389
Accounts receivable	\$0	\$0	\$0	\$0	\$0
Inventory	\$21,000	\$23,153	\$25,526	\$28,142	\$31,027
Total Current Assets	\$37,710	\$113,340	\$184,482	\$286,712	\$423,416
Fixed assets	\$246,450	\$246,450	\$246,450	\$246,450	\$246,450
Depreciation	\$36,960	\$73,920	\$110,880	\$147,840	\$184,800
Net fixed assets	\$209,490	\$172,530	\$135,570	\$98,610	\$61,650
TOTAL ASSETS	\$247,200	\$285,870	\$320,052	\$385,322	\$485,066
LIABILITIES & EQUITY					
Debt	\$317,971	\$272,546	\$227,122	\$181,698	\$136,273
Accounts payable	\$9,660	\$10,187	\$10,210	\$10,694	\$11,170
Total Liabilities	\$327,631	\$282,733	\$237,332	\$192,391	\$147,443
Share Capital	\$0	\$0	\$0	\$0	\$0
Retained earnings	(\$80,431)	\$3,137	\$82,720	\$192,930	\$337,623
Total Equity	(\$80,431)	\$3,137	\$82,720	\$192,930	\$337,623
TOTAL LIABILITIES & EQUITY	\$247,200	\$285,870	\$320,052	\$385,322	\$485,066

Benchmarks



TIP

Benchmarking is increasingly important. Benchmarking lets you compare your business' performance to similar businesses. It gives you and those reviewing your plan a perspective on how well your business is doing or is projected to do relative to similar businesses.

If you have access to benchmarking data, include benchmarking data that you consider most relevant for your type of business.

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Capital Request



TIP

The most common reason for developing a business plan is to present your ideas for a new or expanded business to investors or lenders. They want to know how much money you need and the purpose for which you need it. Use this section to communicate your capital requirements along with the major purposes for which the funds will be used.

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