# Business Plan Outline

## A. Executive Summary (covered in Chapter 4)

### Business Description

* A short description of what the business will do

### Owner Strengths and Background

* A short description of your skills and experiences that show how you are qualified to run your business

### Customer Types

* A short description of your customers and how you will tell them about your business

### Financial Information

* An overview of your financial information, including:
  + How much money you need to start and run your business (your start-up costs and fixed operating costs)
  + How much money you plan to borrow
  + How much money you think your business will make

## B. Business Description (covered in Chapter 4)

### Company Description

* A 1-3 sentence statement about your business that includes:
  + the business name
  + the product or service your business will provide
  + your likely customers

### Business Background

* A description of why the business is needed or the gap that it fills
* What you have accomplished to date (such as testing the product, building skills, selecting a business location, or figuring out accommodations for your disability).

### Owner Strengths and Background

* A description of your strengths to run the business (such as skills, product experience, management or marketing experience, or other resources you can use).

### Type of Ownership

* A description of your business structure (such as sole proprietorship, limited liability company, or partnership)

### Your Business’ Industry

* A description of the industry your business falls within including:
  + The types of products or service offered
  + Expected sales and growth
  + Strengths and challenges of businesses that are similar to yours
  + How similar businesses market to their customers
  + Challenges to entering this industry, such as regulations or high start-up costs
  + Industry trends, such as changing customer preferences

## C. Marketing Plan (covered in Chapter 5)

### Business Qualities

* A description of the main features of your business and the benefits to customers

### Business Name

* A description of why you chose the business name and research showing that the name is available

### Customers

* A description of your likely or potential customers, and how you will learn about their tastes and preferences.

### Similar Businesses

* A description of similar businesses in your area, and how your business is unique or fills a gap.

### Marketing Strategy and Methods

* A description of how you plan to advertise and promote your business to customers.

## D. Operations Plan (covered in Chapter 6)

### Business Location

* A description of the physical location, the building or lot where the business will be located, and ownership or lease arrangements

### Business Requirements

* A description of the legal requirements of running your business including needed business licenses and permits, taxes, and insurance.

### Costs

* A description of the costs to operate your business including:
  + **Capital expenses** – costs to purchase large items such as equipment or furniture that will last for longer than one year
  + **Fixed operating costs** – costs that you always pay, even if you don’t sell any product or service.
  + **Variable operating costs** – costs for materials and labor to make your product or provide your service.

### Production Methods

* A description of how you will make your product or deliver your service, such as your production methods, the time required to make the product, the labor required, how you will store and sell the product, and how you will manage and track inventory.

### Management Methods

* A description of how you will manage the business such as invoicing customers, completing paperwork, filing taxes, paying bills, and keeping personal and business expenses separate.

### Employees and Contracted Services

* A description of the different types of workers who will help with your business such as unpaid workers, temporary workers, contractors, and permanent employees.

## E. Financial Plan (covered in Chapter 7)

### Up-Front Cash Needs

* A description of your up-front cash needs and sources of cash (such as personal savings, loans, investors, grants, or gifts) to cover your pre-opening and post-opening expenses for the first year.

### Break-Even Analysis and Pricing

* A description of your proposed price(s) and a break-even analysis to show your sales needed to start making a profit.

### Sales Forecast

* The level of sales you expect during the business start-up phase and over the year.

### Cash Flow Statement

* A statement that shows when the business will receive cash (receipts) and when cash is needed to pay bills (disbursements).

### Income Statement

* A statement that estimates total sales, costs of goods sold, gross profit, fixed operating costs and other expenses, and net profit over a specific time period (usually one year).

### Balance Sheet

* A statement that shows how much the business is worth at a specific point in time based on total assets minus total liabilities.