

***Writing your business plan is a lot of hard work, however it is the single most important step you can take toward your business success!***

Business Plans, like Résumés and dozens of templates can be found on-line, however despite the variety of formats a business plan's content is consistently the same. The business plan consists of a narrative and several financial spreadsheets. The narrative template is the body of the business plan. It contains over 150 questions divided into several sections. A good business plan should include a description of your business, background information and trends on your business and the industry it will operate within, how your business will operate, who will manage and work within it, what other businesses operate in the same market/industry, how you will market/ sell your product or service, and finally a summary of it's feasibility.

The real value of doing a business plan is not having the finished product, but the process of research and thinking about your business in a systematic way. The act of planning helps you to think things through thoroughly, study and research when you are not sure of the facts, and look at your ideas critically. It takes time now, but avoids costly mistakes later. This business plan template is designed to be very user friendly and has been used successfully by thousands of aboriginals in BC who have been financed and funded to start their businesses.

It typically takes several weeks to complete a good plan. Most of that time is spent in research and re-thinking your ideas and assumptions. But then, that is the value of the process. So make time to do the job properly. Those who do, never regret the effort.

There are four components to any business plan:

**1. Business Plan**

The first part of a business plan is the body of the business plan, which starts on page 8. You should read through this template, but do not start writing at the beginning. It is much easier to write a number of small essays that form the various aspects that are contained in a business plan.

The first step to writing the body of the business plan is to research, research and research. Take notes on the headings contained in the business plan and start researching on the Internet, at the Library and the local Chamber of Commerce. Include this research in your business plan and quote your source.

Support assumptions with facts, not more assumptions. Then when you are ready to write do so one question at a time in simple, clear language and remember you are not only planning, but also educating your reader. Write one question at a time – 15 to 20 minutes. Then take a break. If you try to plow through it you will only get discouraged and confused.

When you are through writing your first draft, you will have a collection of small essays on the various topics of the business plan. Then you will want to edit them into a smooth flowing narrative.

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## 2. Pro-Forma's or Financials

There are four projected income statements (12 month cash flow projection, 3 year cash flow projection, 3 year projected balance sheet and 3 year projected income statement) that a lender will need and two that you will need to assess the projects viability. The two financial statements that you should know to not only assess the projects viability, but to also manage your businesses income are the 12 month cash flow and the 3 year income statement, and although they may seem daunting we will show you how simple they are to prepare and use.

## 3. Executive Summary

This is the part of your plan that you complete once you have the body of the business plan completed. Once you have all the research and planning done it is simple to **write a few sentences for each question** that will allow your reader to quickly assess the projects merits.

## 4. Supporting Documents

Supporting documents are the résumé's, certificates, diploma's, letters of reference, equipment quotes, letters of intent, BCR's, maps, photo's, samples of work, and other documents that support your plan. This part is simple – keep everything in writing then organize them in the order that you would like to see them in if you were evaluating your plan. First who is this person (resume, diploma's, certificates, letters of reference), then what is the project (maps, photo's, samples of work, equipment quotes, assessments), and continue on in this type of order until you have all your documents organized and listed on your table of contents.

**If you are using the help of a consultant or advisor to prepare your plan, make certain you are actively involved in the planning and you fully understand every aspect because it is a well known fact that principals wrote their own business plans have a 45% better chance of succeeding in their business than those who did not.**

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**Sample Title Page:**

**COMPANY NAME**

**Business Plan**

**Date**

Contact information:

Name

Company Name

Street address

City, Province, Postal Code

Phone, Fax

E-Mail, Web-site (if any)

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j. Number of employees:

*Will your company hire staff? Who? When? Will they be full-time, part-time, seasonal, men, women, students? Are they specially qualified for your employ?*

*If a staff member is invaluable to operations they must have a management contract or some ownership in the business. These contracts and the staff's résumé's should be included into the appendices of your plan.*

k. Management team background and experiences:

*Good management is essential! Describe your management experience, training and skills. Funding sources want to see that you understand your market and have the skills to succeed. Who will comprise your management team? Describe who is involved in management along with a description of the roles and responsibilities.*

l. Market Niche:

*What is unique about your products or services, or what market advantage does your business possess? This is where your response will demonstrate your market or industry knowledge.*

m. Client Base:

*Who will buy your products or services?*

*It is vital to know who your client is in both the planning and the operating of a business. Detail your client thoroughly to help you plan, and also to demonstrate to the funder that you know your client.*

n. Factors for Success:

*Explain your most important company strengths and core competencies like what factors will make the company succeed, what do you think your major competitive strengths will be, and what background experience, skills, and strengths do you personally bring to this new venture. This is not the time to be modest.*



## Table of Contents

Page

Section A **Business Plan:**

1. Business Description
2. Business and Industry Market Analysis
3. Operational Plan
4. Organizational Plan: Management and Staffing
5. Marketing Plan & Competition
6. Business Feasibility & SWOT Analysis

Section B **Financial Projections:**

- 12-month cash flow projections
- 3-year cash flow projections
- 3-year projected income statement and balance sheet

Section C **Supporting Documents:**

Samples of Supporting Documents that should be included are:

- A. *Resumes of the persons identified as ownership or management of the company*
  - B. *Copy of the Articles or Certificates of Incorporation*
  - C. *Licensing*
  - D. *Photo's and Price Lists of Products or Services*
  - E. *Written quotes for proposed equipment, renovations, etc.*
  - F. *Copy of the land or building lease agreement and/ or BCR (if required)*
  - G. *Evidence of equity*
  - H. *Insurance Quote*
  - I. *If an existing business, financial statements for previous three years*
  - J. *Copy of maps of the area*
  - K. *Floor plan of the facility*
  - L. *Letters of Support*
  - M. *Letters of support from future customers*
  - N. *Letters of Reference*
  - O. *Brochures & advertising materials*
  - P. *Industry studies / Market research studies*
  - Q. *Magazine or other articles*
  - R. *Any other materials needed to support the assumptions in this plan*
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## Business Plan

### 1. Business Description

a. Type of business:

Business Structure:

Sole Proprietorship

Partnership

Corporation

Co-operative

Other \_\_\_\_\_

Who owns it?

Name	% ownership
1. _____	_____ %
2. _____	_____ %
Percentage of Aboriginal ownership:	_____ %

b. Products or services the business will provide:

*Describe in depth your products and/or services using layman's terms to describe industry techno-jargon. Your ability to do a thorough job explaining your product or service not only educates the reader and helps you plan, but also proves to the funder that you know your business.*

*What factors will give you competitive advantages or disadvantages? For example, level of quality or unique or proprietary features and benefits, using the following steps:*

- 1. List all your major products or services.*
  - 2. For each product/service describe the most important features. (What is special about it)*
  - 3. Then, for each produce/service, describe its benefits. (What will the product do for the customer)*
  - 4. Note the difference between features and benefits, and think about them. What after-sale services will be given? For example: delivery, warranty, service contracts, support, follow up, or refund policy.*
  - 5. What are the pricing, fee or leasing structures of your products and/or services? Explain this in detail, but you will also have a pricing section where you can do a comprehensive explanation.*
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c. **Mission Statement:**

*A mission statement is one of the most difficult things to write. It must work today and define the focus of the business for years to come in a concise sentence defining what the Company is all about. Think about it and "make it mean something".*

**2. Business and Industry Market Analysis**

*Your first step is careful, systematic research. Even if you feel you already know your research is necessary to ensure that you are on track. There are 2 kinds of market research: primary and secondary.*

*Primary market research is the information you gathering on your own. For example, if you are already working in the industry you will be operating within you can use your own experience and market understandings, or you may also use information collected from surveys or focus group interviews.*

*Secondary research is the information gathered from published information such as trade journals, newspapers, magazines, Statistics Canada, or BC Statistics. This type of information is available in on-line, in public libraries, industry associations, chambers of commerce, vendors who sell to your industry, and the Canada Small Business Centres. Start with on-line research, and then visit the business department of your library or the Vancouver Public Library, Your Chamber of Commerce, then trade associations and trade publications. When you are including this information into your plan be as specific as possible by quoting statistics and sources.*

a. **Industry Sector:**

*In a few words write and a heading that describes the industry your business will operate in.*

b. **A history of the industry:**

*A history of the industry should be relevant to the project and requires you to detail the big picture of the market you are going to operate your business in. List the important economic factors that will affect your product or service. Consider things such as country growth, industry health, economic trends, rising prices, etc. Indicate current industry conditions and trends, Why are the current market distributions the way they are? What has your competition done to achieve their market share? What are the legal factors that will affect your market?*

*Provide yours, or a third parties research that supports your determination that there is a market and a need for your product or service. List the trade associations that service your industry. Use material supplied by these organizations to support statements and assumptions you have made throughout your funding request.*

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### **3. Operational Plan**

#### **a. Location & Facilities:**

*Describe the type of location you will have, the area you will operate in and your company's physical requirements such as space, type of building, zoning, power and utility needs.*

*Also describe if your location important to your customers. If yes, how so? If customers come to your place of business is it convenient, is parking available? Is it consistent with your image? Is it what customers will want and expect? Where is the competition located? Is it better for you to be near them or distant? Include a drawing or layout of your proposed facility.*

*Outline the costs involved with the identified location including rent, maintenance, utilities, insurance, and initial remodeling costs (lease hold improvements) to make it suit your needs. These numbers will become part of your financial plan.*

*Include maps of the area, region and highlight access roads if they benefit operations. Include floor plans, pictures any anything else that would help paint the picture.*

#### **b. Production Process:**

*Explain the daily operation of the business, its location, equipment, people, processes, and surrounding environment. List the processes, persons responsible, space requirements, inventory requirements, and distribution methods. Use graphs, pictures, or anything else that helps convey the production process. Then, explain your production techniques & costs, quality control, customer service, inventory control and product development.*

*Also explain your Distribution Channels and how will sell your products/services, for example is the product going to be sold retail, direct (mail order, web, catalog), as a wholesale product, or through agents.*

#### **c. Action Plan:**

*List the steps you will undertake to accomplish this year's goal by month or by quarter. Detail the checkpoints you will use to measure results (identified by dates, sales goals, production levels).*

#### **d. Is an environmental audit required for your business? If so by who?**

*Most aboriginal financing institutions, ABC and INAC, require this information.*

#### **e. Will your company hire a bookkeeper or accountant? If so who?**

*Details on how your business has planned to manage its finances is critical to all lenders.*

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f. Major Suppliers

List what kind of inventory will be kept, the average value in stock, and the rate of turnover and how this compares to industry averages? Include if there are seasonal buildups and lead-times required for ordering. Explain if supply costs steady or fluctuating? If fluctuating, how would you deal with changing costs?

Supplier:	Address:	Products	Terms

Include more than one supplier for critical items as a backup, if needed.

g. Licences, Permits, and Insurance

What licenses, permits, or types of insurance are required to operate this business? What steps in achieving proper licensing have been undertaken? Provide proof of licensing established in the appendices of this document.

1. Licensing requirements
2. Permits
3. Health, workplace or environmental regulations
4. Special regulations covering your industry or profession
5. Zoning or building code requirements
6. Insurance coverage

**4. Organizational Plan: Management and Staffing**

a. Management and Personnel:

Management of any business directly correlates with the companies' success or failure. Lenders are concerned with whether or not you have what it takes to be successful. Highlight information that demonstrates you have the ability to make this business a success. Detail your education, past successes or failures that made you stronger. Indicate how you started this business and what makes you believe it will be a success. Important management issues are training, experience, and most of all the character of those involved in the management of this venture. Include résumés, and certificates.

For employees list the number of employees, type of labor (skilled, unskilled, professional), where and how will you find the right employees, the quality of existing staff, their pay structure and the training methods you will use. Also detail what each employee's responsibilities are and if you

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*have schedules and written procedures prepared. If you have drafted job descriptions for employees include them in the appendices.*

*Finally, identify contract workers and the costs associated with their services, if any. These would include an attorney, accountants, consultants and mentors/ advisors.*

## **5. The Marketing Plan and Competition**

### **a. Overall market:**

*This is one of the most important pieces of information to include in your plan. List it as thoroughly as possible. You must know your market in the planning stage and while operating your business. Some questions you should answer in this section are:*

- *What is the total size of your market?*
- *Current demand in target market*
- *Trends in target market - growth trends, trends in consumer preferences, and trends in product development.*
- *What barriers to entry do you face in entering this market with your new company and how will you overcome these barriers?*
- *Finally conservatively explain the growth potential and opportunity for a business of your size.*

### **b. The Target Customers**

*Identify your targeted customers using your primary research and secondary data. The description will be different if you are going to sell to other businesses or directly to consumers. If you sell a consumer product, but sell it through distributors, wholesalers then retailers you must carefully analyze both the end consumer and the middlemen to whom you sell.*

*For each consumer group describe their following characteristics - this is called a demographic profile. (If you have more than one customer group identify the most important ones.)*

- *Age*
- *Gender*
- *Location*
- *Income level*
- *Social class/occupation*
- *Education and any*
- *Other information specific to your industry*

*For business customers describe the:*

- *Industry (or portion of an industry)*
  - *Location*
  - *Size of firm*
  - *Quality/technology/price preferences*
  - *Other information specific to your industry*
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c. Direct and Indirect Competition:

*Know your competition. There are two types of competition, direct and indirect. Those that provide the same product, at the same price, to the same client are direct. Those that provide similar products in differing markets or at a different price point are your indirect competitors.*

*Explain your client's relative importance for your product and the price, quality, selection, customer service, reliability, stability, expertise, reputation, location, appearance, sales method, credit policies, advertising, and image. Then outline the Direct Competitors first, followed by an overview of the indirect competitors and how their product/ service compares to yours. Also, explain how competitive relationships can be turned into joint ventures, strategic partnerships, buyouts, acquisitions, etc. in the future.*

*Now that you have systematically analyzed your industry, your product, your customers and the competition, you should have a clear picture of where your company fits into the world. In one short paragraph, define your niche, your unique corner of the market and remember that your company cannot be all things to all people. In fact, many businesses fail when they scatter and dilute their efforts in an attempt to please everyone.*

d. Marketing Strategy

*Your market approach should be consistent with your market niche. Explain what features will you promote, what buying motive hot buttons will you use, what advertising/promotion sources will you use. You should also explain what image do you want to project and how do you want customers to see you. Also explain how will you get the word out to customers, why you consider the chosen media to be the most effective and what tracking methods will you use to optimize the effective use of marketing funds.*

*In addition to advertising, what plans do you have for graphic image support? This includes things like logo design, cards and letterhead, brochures, signage, and interior design (if customers come to your place of business).*

*Some low cost methods that get the most out of any promotional budget are the marketing basics:*

<i>Business Cards/Brochures</i>	<i>Mail outs</i>	<i>Contests/ Gift with Purchase</i>
<i>Magazines/ Newspaper</i>	<i>Presentations</i>	<i>Trade Shows</i>
<i>Internet</i>	<i>Loyalty Programs</i>	<i>Charitable Events</i>

*Plan out your promotional budget and explain how much will you spend on the items listed above before startup and after. Make sure that whatever costs you are assuming are reflected in your 12-month cash flow.*

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d. Pricing Strategy and Target Sales

*For most small businesses, having the lowest price is not feasible as it lowers your profit margin too much, as large competitors can under-price most small businesses. A small businesses pricing is usually market average and the company competes based on quality, service, and flexibility.*

*In this section explain your method(s) of setting your price and how your pricing strategy fits with your competitive analysis. You should also compare your prices with those of the competition. Are they higher, lower, the same? Why?*

*Also describe your pattern of sales and detail any volume discounts, seasonal variations, turnover rates, and inventory control methods used. Detail your revenue formula for each month/ season or year. Use these numbers to outline your anticipates annual sales for the first three years of operation. Keep in mind that these numbers should be very conservative with annual increases not exceed 15-20%%. Higher rates of increases are generally considered too optimistic and will negatively affect the rest of your plan.*

*Are your prices in line with the industry and what your client will pay? Also, explain your sales/credit terms? Do you plan to sell on credit? Is it required in your industry and expected by your clientele? If yes, what policies will you have about who gets credit and how much? How will you check the creditworthiness of new applicants? What terms will you offer your customers; i.e., how much credit and when is payment due? Do you know what it will cost you to extend credit and can your company afford to finance your client's credit? Most small businesses cannot and do not extend credit except for the most loyal of their clients.*

*Finally, describe how you will deal with slow paying customers. When do you make a phone call? Send a letter? Send the account to collections?*

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## 6. Business feasibility and SWOT Analysis

### a. S.W.O.T. Analysis.

*Specifically, outline the project in the following areas of your SWOT Analysis; Management, Operations, Marketing. Compare your strengths and weaknesses to your competitions. Consider such things as location, size of resources, reputation, services, personnel, etc.*

Strengths:	<i>What advantages does our product/service have over those of the competition? What are the unique features, patents, expertise, etc.?</i>
Weaknesses:	<i>What disadvantages does your product or service have?</i>
Opportunities:	
Threats:	

### b. Risk Assessment

*Dealing with risk is a key component to business success and creating a contingency plan to manage risk will increase your long-term success. Describe your competitor's reactions to your business opening, list the effects and your responses to critical external factors (economic, regulatory, shifts in consumer demand), list the effects and your responses to critical internal factors (loss of key management or staff, drops in sales).*

### c. Viability and Long Range Plans:

*Summarize why do you think your business is feasible? How successful your product or service can be? The potential market? List all the reasons why this business will work. This are your final words on the project, make them lasting. Closing with strong clearly defined goals and objectives says a lot about you and your project.*

### Pro-Forma's:

*The pro-forma's consists of a 12-month profit and loss projection, a three-year profit and loss projection, a three-year projected balance sheet, and 3-year net income statement. Together they represent a reasonable estimate of your company's financial future. More importantly, however, the process of thinking through the financial plan will improve your insight into the inner financial workings of your company.*

*Profit projections should be accompanied by a narrative explaining the major assumptions used to estimate company income & expenses.*

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*Now that your business plan is complete you must think about how you are going to present it.*

1. *Complete your Table of Contents page numbers and organize your supporting documents*
  2. *Complete your Executive Summary*
  3. *Do a spell check and check the formatting*
  4. *Print your plan on good paper, with a good printer.*
  5. *Design a dynamic cover and print it on a colour printer*
  6. *Bind the material in such a way that allows for easy reading, tab each section for direct access, keep your information concise and to the point*
  7. *Pictures are worth a thousand words, include good ones and as many as possible.*
  8. *Remember to submit your plan by the appropriate date and time.*
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