

Business Plan Template

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# **Instructions**

You can use this shortened [business plan](http://practicalbusinessskills.com/assets/templates/business-plan.docx) template to create or update your business plan. This shortened version could be helpful if you’re trying to organize your ideas, conduct a check-up on your business or are looking for investments from friends or family. If you need to present a business plan to a professional lender or bank, or you want to take a deeper-dive into your business, we recommend using the long-form [business plan template](http://practicalbusinessskills.com/assets/templates/business-plan.docx).

The template is broken into four main sections: the executive summary, description of the business, marketing and an appendix. There are several subsections within each section, and you can add, delete or rename subsections as needed.

You’ll find *italicized* text throughout the template that helps explain the purpose of each section. Replace the italicized text with your own descriptions, facts and figures to personalize your business plan.

Before you share your business plan with someone, you may want to have the person sign a nondisclosure or confidentiality agreement. Your business plan may contain valuable information, along with personal information about the business’s owners or investors.

# **Executive Summary**

*The executive summary gives readers an overview of your business, goals and industry. It describes the products or services your business provides and how your business distinguishes itself from competitors.*

*The executive summary should identify your audience, ideal customer and the outlook of your company and industry. You could outline your company’s specific goals for the coming year, three years and five years.*

*While the executive summary is the first part of your business plan, you may want to write it last, after you’ve done all the required research.*

*You can use the following subheads as an outline for organizing your executive summary.*

## **Highlights**

*You can start with key business highlights. If you’ve patented a new idea, have positive customer reviews, already raised money or have personal experience in the industry, those might be highlights.*

*You could also add charts or graphics. For example, if you’ve launched your business and want to highlight growing sales or profits.*

## **Objectives and Strategies**

*What is your plan for making money and how much do you want to make within the first few months or years of business? Outline these goals, your plan for meeting them and how you’ll measure your progress.*

## **Vision Statement**

*Your* [vision statement](http://practicalbusinessskills.com/getting-started/creating-a-business-plan) *should describe what you want to achieve and what you want to offer your customers. It should be brief, easy to remember, inspirational, based on your personal values and focused on the future.*

**Mission Statement**

*A* [mission statement](http://practicalbusinessskills.com/getting-started/creating-a-business-plan) *that defines how your company will accomplish its vision. The mission statement explains what your business offers, how it does this and who it helps. It captures the overall value of your product or service. If your business follows its mission, it will achieve its vision.*

## **Company Values**

*These are key characteristics that describe your business. Your values outline how you want your company to be seen, how you want your employees to feel and be treated, and how you hope to affect your community.*

*Your own personal values may help drive your company’s values. Some values to use as inspiration are: honesty, efficiency, reliability, commitment, sustainability, ethics, doing good, building community, open-mindedness and creativity.*

## **Business Opportunity**

*Identifying your* [business opportunity](http://practicalbusinessskills.com/getting-started/is-starting-a-business-right-for-you) *can help you plan for your business’s future and show lenders or investors why your company will be a success. Ask yourself what problem you are solving with your company’s product, service or store?*

*Define* [the customers you want to reach](http://practicalbusinessskills.com/getting-started/creating-a-business-plan)*. These are the people who want and can afford your product or service.*

*Also, describe your competition and what will distinguish your business from other companies that offer similar products or services.*

# **Description of Business**

*In this section, you can get more in-depth about specific parts of your business. You can expand on the information that’s in the executive summary and provide more details about how (and who) will run the business.*

*The outline here is a suggestion for how you could organize this section, but parts won’t necessarily apply to every business. You can also reorder the sections based on their importance to your business.*

## **Company Ownership/Legal Entity\*** *\*As needed, otherwise, you can delete this section*

*Discuss whether you’re starting a new business, buying an established business or expanding your current business. Also, indicate which* [business structure](http://practicalbusinessskills.com/getting-started/creating-a-business)*, such as a sole proprietorship or limited liability company (LLC), you will use for the business.*

*If you have business partners, list the partners and what percentage of the business they own.*

*Some businesses need specific licenses or permits. Describe those requirements for your company, the costs, the process for obtaining them and your plan for getting or keeping the proper license(s) or permit(s).*

## **Products and/or Services\*** *\*As needed, otherwise, you can delete this section*

*List and describe the products or services your company offers, why customers want them and how they benefit your customers. Also, describe how your offerings are different from the competition.*

*If you’ve created a new product, you could list its benefits to customers. Even if you’re selling the same product or service as competitors, your offering could be different based on how you display the products, the price you sell it for or the customer service you offer.*

*For businesses that only sell products, or only sell services, you can delete the parts that don’t apply.*

## **Customer Service**

*Whether you sell products, services or both, explain your approach to customer service. How will it help you attract and retain customers and how is it different than the competition?*

*If you have specific ideas about how you’ll work with customers during a business transaction and plans for following up with customers after, highlight those here.*

*You might want to reference your company’s vision statement, mission statement and values when discussing customer service.*

## **Key Management\*** *\*As needed, otherwise, you can delete this section*

*Describe the* [company’s management](http://practicalbusinessskills.com/managing-a-business/leadership) *and the experience that each person brings to the business.*

*You can add resumes for each person in the appendix and use this section to cover the key strengths of each business partner and manager. If you’re the only owner or manager, this section might be focused on your experience.*

*You could highlight each person’s:*

* *Experience owning, managing or growing a business.*
* *Experience in this industry and the connections they’ve established.*
* *Their responsibilities in the business.*
* *The particular skills they bring to the business.*

*If your company has non-management employees, discuss who is responsible for hiring and managing the employees, the training you provide and the company benefits or incentives you’ll offer employees.*

## **Financial Management**

*Explain how you’re going to run the financial aspects of your business, such as:*

* *Your* [budget](http://practicalbusinessskills.com/getting-started/financial-basics/budgeting) and [savings](http://practicalbusinessskills.com/getting-started/financial-basics/saving) *plan.*
* *Whether you’ll* [borrow money](http://practicalbusinessskills.com/getting-started/financial-basics/financing)*. If yes, how will you borrow money and how will you repay the loans. If you’ve already borrowed money, list your current loans and loan terms.*
* *What types of* [payment you’ll accept](http://practicalbusinessskills.com/managing-a-business/financial-management/payment-systems) *from customers, such as cash, checks or credit cards? Explain your reasoning if you’ve decided not to accept a common payment type.*
* *How you’ll manage the month-to-month business expenses while planning for long-term success (i.e.,* [cash-flow management](http://practicalbusinessskills.com/managing-a-business/financial-management/managing-cash-flow-and-expenses)*).*

# **Marketing** *Whatever your budget and no matter how in-demand your product may be, you’ll still need to reach new customers and get them interested in your offerings. Luckily, there are many ways you can attract customers even on a limited budget.*

*The* [marketing section](http://practicalbusinessskills.com/managing-a-business/promoting-a-business/marketing-and-advertising) *covers your ideal customers, the overall market for your product or service, your competitors and the factors that distinguish your business.*

## **Market Analysis**

*Describe your* [target customer](http://practicalbusinessskills.com/getting-started/creating-a-business)*, the person who most wants and can afford what you’re selling. Identify how you’re going to reach your target customers.*

*If you’re offering something that’s brand new, also discuss how you know there’s a market. What types of research have you done to prove that there’s a demand for what you’re selling?*

*This could be a good place for a visual, such as a chart that shows the growth of the total market, the growth of your target customer population and the increase in business sales as a result.*

## **Competitive Analysis**

*Get familiar with other vendors or companies offering a similar product or service. If you have a physical store, you may want to list the closest competitors in the area.*

*Try out the competition’s offerings, look at their packaging, visit their website and research their mission and vision statements, if they have them. How are their products, services and approach to selling different from yours? If you were a customer, whose product would you buy and why?*

*Use this insight to describe how you will be different from the competition and why customers will choose your business over a different one.*

## **Pricing**

*Consider how your* [pricing strategy](http://practicalbusinessskills.com/building-and-growing/measuring-success/increase-sales) *will impact your sales and your business’s ability to pay expenses and make a profit.*

*There are various pricing methods that can help you attract customers and boost sales. A few pricing strategies include:*

* *Cost-plus pricing – Calculate your costs and add a markup.*
* *Competitive pricing – Set a price based on what the competition charges.*
* *Loss leader – Sell your product at a competitively low price to attract customers who may buy other more profitable products.*
* *Odd value pricing – Sell products for $.99 instead of $1.00. Some customers view odd value prices as being more attractive.*

*Also, discuss how you will track prices and make sure they’re high enough to cover your business expenses but low enough to attract your target customers.*

## **Advertising and Promotion**

*Whether through printed or online materials,* [marketing](http://practicalbusinessskills.com/managing-a-business/promoting-a-business/marketing-and-advertising) *is an essential part of running a successful business and a great opportunity to stand out from your competitors.*

*Advertising is one aspect of marketing. While marketing is the overall approach to speaking to customers about your brand, advertising is usually a paid form of messaging designed to lead to sales. Advertising can be short-term or ongoing but usually requires a financial investment.*

*Promotions are another aspect of marketing. Promotions can increase sales by letting people know about your products or services. A promotion can last for a limited time, enticing customers to act quickly or miss out, or they can be longer term.*

*Discuss which advertising or promotion methods you plan to use, such as online advertising, mailing, printed flyers or free samples. If you’ve already done research or tested these methods, discuss the results and the improvements you’ve made or plan to make. If not, discuss your plans for tracking results.*

## **Strategy and Next Steps**

*In the final section, you can summarize your strategy for opening your business and putting your marketing plan into action.*

*If you’re new to business, you could list the* [steps you need to take](http://practicalbusinessskills.com/getting-started/is-starting-a-business-right-for-you) *before you can open your business. If you’re currently running a business, you could list the next steps you need to take to grow the business.*

*You could also list your top three to five goals and describe how you’ll achieve each goal.*

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# **Appendix**

## **Budget**

## *A budget is a tool to track when and how you earn or spend money. It allows you to oversee and better understand whether your business has enough revenue (incoming money) to pay its expenses.*

## [Create a budget](http://practicalbusinessskills.com/assets/templates/budget-worksheet-template.xlsx) *and include a copy in your business plan. If you haven’t started the business yet, include your projections for how much money you’ll need to start and run the business and how much you expect to earn from sales.*

## **Miscellaneous Documents**

*You may want to include a wide variety of additional documents with your business plan. These can vary depending on who you’re sharing your business plan with — whether it’s a potential investor, business partner or a friend who will give you feedback.*

* *A resume and contact information for each owner or executive*
* *Business and personal credit reports*
* *Business and personal tax returns*
* [Financial statements,](http://practicalbusinessskills.com/managing-a-business/financial-statements) *such as cash-flow statement, profit and loss statement and balance sheet.*
* *Contact information for the business’s attorney and accountant*
* *Copies of leases and rental agreements*
* *Copies of permits and licenses*
* *Letters of reference*
* *Current business contracts*
* *Positive press coverage of the business or owners*