

BUSINESS PLAN OUTLINE

Executive Summary (Outlining goals and objectives).

The executive summary introduces your business strategy and probably is the most important section for lending institutions. If you can't persuade a loan officer in the first two or three pages that you've got a viable business proposal, you're going to leave empty-handed. This summary is also important as a communication tool for employees and potential customers who need to understand — and get behind — your ideas.

A brief account of how the company began.

Clearly explain the origins behind the company's creation and how you or your business associate came up with the idea to start your business.

Company's Goals.

Explain in a few paragraphs your short- and long-term goals for the company. How fast do you think it will grow? Who will be your primary customers?

Key Staff (Biographies of the management team).

The management section should include the names and backgrounds of lead members of the management team and their respective responsibilities.

Service/Product (What you plan to offer).

A key aspect of this section will be a discussion of how your product or service differs from everything else on the market.

Market Potential

Remember that you've got to convince lenders, employees and others that the market you're after is relatively large and growing. You'll need to do some research for this section. If it's a locally-based business, you need to assess the demand for your offering within an xx-mile radius, based on what you determine is a reasonable distance from your business. If it's a Web-based business or a business that relies on both the Internet and local traffic for revenues, you'll need to evaluate demand on a local and/or a national basis. A research report from sites such as Forrester Research can cost hundreds to thousands of dollars. But you may be able to get some basic information simply by using the Web and its many search engines and directories.

Marketing Strategy

How do you plan to tell the world you're open for business? Will you rely exclusively on word of mouth (not a good plan unless you've already got a reputation)? Will you advertise in print, television or on the Web (or all three)? Will you use online marketing tools to get your company listed on search engines and advertised on other Web sites? You'll also need to include how much you plan to spend on marketing.

Financial Projections

This section should include a summary of your financial forecasts for 3-5 years, with spreadsheets showing the formula you used to reach your projections. You'll need balance sheets, income statements and cash-flow projections for the entire forecast period. The summary in this section is also where you would tell prospective lenders how much money you'd like to borrow to cover your startup costs. The assumptions that you make in this section will make or break your company's success. If you're unsure about using this kind of financial modeling, find a professional. It's worth the money.

Exit Strategy.

All good business plans include a section that lays out the benchmarks you'll use in deciding to call it quits. The strategy could be based on a dollar figure, revenue growth, the market's reception to your idea, or a consensus among top officers.