

THE BUSINESS PLAN & ITS PARTS

An Outline

Here's an outline to illustrate the complexity and detail of a good business plan. Don't forget to consult the Small Business Development Center closest to you for help. Books abound on writing a business plan. We recommend one written by a North Dakotan, *The Business Plan: A State-of-the-Art Guide* (1988) by Michael O'Donnell, Lord Publishing, Inc., P.O. Box 806, Dover MA 02030, 1-800-525-5673. You can find it and other useful books at most libraries and bookstores.

I. Your Summary

- A. Describe your business.
 - 1. Tell where you want to locate.
 - 2. Name your products or services.
 - 3. Briefly tell about your market and your competition.
 - 4. Tell why you and others are qualified to run the business.
- B. State your business goals and objectives.
- C. Tell how much money you'll need and where you'll get it.
- D. Project out the business' earnings.

II. Your Market

- A. Describe your market.
- B. Tell where you think your particular industry is headed.
- C. Define your target market.
- D. List, with an analysis, all of your competition.

III. Your Product or Service

- A. Describe in detail your products or services.
- B. Indicate if you'll need to patent your idea, if you've already done so, and what other steps you've taken or will take to protect your products, business name, and identity.
- C. Compare your products or services, your location, and your ability to reach the market to those of your competitors.

IV. Manufacturing Process or Service Details.

- A. List the materials you will need.
- B. Tell where you will buy your materials.
- C. Describe how you are going to turn raw material into a finished product.

OR...

- A. Go into more detail about your service.
 - 1. Tell what sets you apart from your competitors.
 - 2. Describe how you will ensure customer loyalty.

V. Marketing Strategy

- A. State your overall strategy for reaching your goals.
- B. Tell how you will price your products or services.
- C. Describe the methods you will use to get your products into the hands of your target market.

VI. How Your Business Will Operate

- A. Indicate whether your business will be a sole proprietorship, partnership, or a Corporation.
- B. Describe the main people in the business and their duties.
- C. State the kind of people you will need to hire and how many of each job classification.
- D. Tell where you will be located and the kind of building you will need.
- E. Tell what your operating plans are for your first 18 to 24 months in business.

VII. Money Matters

- A. Give a complete picture of your personal finances, and present a carefully drawn up budget for your business and personal finances (if you're going to be a sole proprietorship or a partnership).
- B. Project how your business will do over its first five years in operation.
- C. State who will keep your books – you, your spouse, or a professional accountant.

VIII. Other Information, Plans, Ideas

- A. Restate your case, inject your enthusiasm, and show your determination to succeed.
- B. Include product diagrams and building blueprints, and any licenses, permits, or patents you have already received.
- C. You may want to list your attorney, accountant, and other business consultants, with letters from each acknowledging your relationship.