

Together, Shaping the Future

Universal Elements of a Business Plan

Cover Sheet

Table of Contents

Header: Company name, address and telephone number,
website url if you have one, primary point of contact w/email

- I** **Executive Summary (*no more than two typed pages*)**
Contains much of the same information in an investor pitch deck and a business plan, but is very concise & condensed. Is meant to capture their attention.
- A** Your problem/solution statement: Exactly who you are, what you do and why the reader should pay attention (could even be a strong elevator pitch)
 - B** Business Summary: The Problem/Solution, Product/Service, Value proposition, User experience and Technology/special know how (aka 'secret sauce')
 - C** Team: Description of roles & responsibilities. If you don't have one, get mentors
 - D** Market Landscape: Specific target market, size (current & projected)
 - E** Competitive Landscape: competitive differentiation and any barriers to entry
 - F** Business Model: Clear customer segments/archetypes, distribution channels to reach your customers and pricing strategy
 - G** Financial Forecasts: Realistic projection of breakeven, ROI, and estimate how much funding you will need to raise along your timeline
 - H** Strategy: IP/regulatory strategy
 - I** Execution Plan: Current status and traction, growth strategy, milestones for 6-12 months out and risk

II Detailed Business Plan

A Industry Analysis

- 1 Industry background and overview
- 2 Trends
- 3 Growth rate and outlook for the future

B Background of the Business

- 1 Brief history of the business
- 2 Current position/situation of the business
- 3 Sources of competitive advantage – how do you differentiate
- 4 Ways that the business creates value for customers

- 5 Key factors that will prescribe success for the business – what does your customer segment expect to gain, or what pain will you relieve

C Market Analysis

- 1 Who are the potential consumers of your product? Specific customer archetypes.
- 2 What is the consumers' motivation to purchase? Problem solved? Gain created?
- 3 What is the market size? What can you capture? (Current and projected)
- 4 What are the consumers' potential annual purchases?
- 5 What is the nature of the purchasing cycle? Big ticket or consumable?
- 6 Specific to the target market -- what does the business know about the potential consumers in the geographic or target market area if online?
 - a What is the specific value proposition that influences the consumer's purchasing decisions?
 - b What, if any, research is available to support your conclusions? Customer discovery?
 - c Do the consumers have a preference regarding where they purchase comparable products? How strong is this preference?
- 7 Pricing Strategies
 - a Cost structure: fixed and variable costs
 - b Pricing structure and strategy -- as compared with competitors prices.
- 8 Advertising and promotion strategies
 - a Most effective distribution channels for reaching your customer segment
 - b What type of annual budget do you estimate?
 - c What will your customer acquisition cost be? (CAC)
 - d Means of generating publicity for the business
- 9 Distribution strategy
 - a Channels of distribution (sales force, online sales, retail outlets)
 - b Sales strategy
- 10 External market influences- How do these affect your growth
 - a Economic factors
 - i Inflation
 - ii Recession
 - iii High or low unemployment
 - iv Interest Rates
 - b Social factors
 - i Age of your primary consumer
 - ii Demographics -- location driven or online or both
 - iii Income levels
 - iv Household size
 - v Social attitudes (psychographics)
 - c Technological factors contributing to success

D Competitor Analysis

- 1 Existing competitors
 - a Who are the existing competitors? List identified major competitors.
 - b What factors may cause potential customers to buy from the competitor right now?
 - c How will the business be affected by the competition?
- 2 Potential Competitors
 - a Who are the potential competitors and why might they enter the market?

- b What effect would the competitors have on the target market segment if they entered?
- c What are the strengths and weaknesses of each key competitor's business? How will the business be affected by the competitor's strengths and weaknesses?
- d How can you differentiate yourself from your competitors (more detail in strategy)

E Strategic Analysis

- 1 Core competencies
- 2 Market position and image
- 3 SWOT Analysis
 - a Strengths
 - b Weaknesses
 - c Opportunities
 - d Threats
- 4 Business Strategy
 - a Cost leadership strategy
 - b Differentiation strategy
 - c Focus strategy

F Strategic Action Plan

- 1 Identify specific performance goals and objectives and their association with the company's mission and vision
- 2 Summary of the business' product production and marketing strategies
- 3 Describe how these marketing strategies will be put into action – what is the tactical plan to execute
- 4 What control procedures will the business establish to keep operation on track, including performance and measurement metrics

G Organizational and Managerial Specifics

- 1 Business organization
 - a Legal (corporation, S corporation, limited liability company, limited partnership, general partnership, sole proprietorship)
 - b Functional (division of authority and chain of command)
 - c Organizational chart
 - d Detailed description of team background

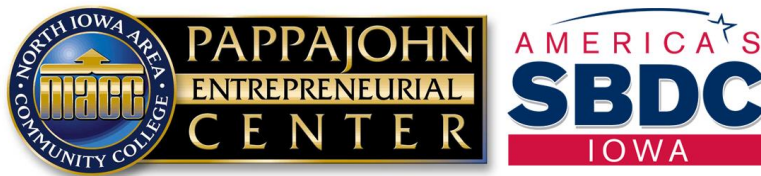
H Financial Plans

- 1 Balance sheets, income statements, cash flow statements for the last three years of operation
- 2 How much money is required to make the business and its products successful, long-term? Be both specific and realistic in your analysis.
- 3 Create a budget. Demonstrate to the banker or investor the amount of money necessary; why it is necessary; and how the business plans to generate revenues from operations and sales.
 - a Materials
 - b Labor
 - c Equipment
 - d Marketing
 - e Overhead
 - f Other
- 4 Present actual and projected balance sheets and income statements

- 5 Prepare a breakeven analysis
- 6 Prepare a ration analysis – use comparisons with industry standards
- 7 Create cash-flow projections with sources and uses of cash

I **Loan Proposal**

- 1 Purpose of loan
 - 2 Amount requested through loan
 - 3 Schedule of repayment or “cash out” schedule (debt exit strategy)
 - 4 Implementation of business plan (launch or execution)
-



Together, Shaping the Future

www.pappajohncenter.com
641-422-4342 | pappajohn@niacc.edu
500 College Drive
Mason City, IA 50401