

THE BUSINESS PLAN

What Is A Business Plan?

Simply defined your business plan is your handbook/guide to your overall business goals and strategy. In words and with supporting numbers, you define what you want to do and what you need to do to get there.

A business plan is a written document that explains in detail the business opportunity, describes why it is an opportunity and how you are going to make it your business opportunity. It identifies how your new business will be structured, the products/services that you will offer, how you will enter the market and how much money you will make.

The plan should be written by you and be the end result of your business planning process.

Business Development Exercise I

3 Reasons to Write A Business Plan

1. _____
2. _____
3. _____

Turning a business idea into a viable business venture is not the result of luck. It requires careful analysis and planning. The business plan is the written result of this process and is a finely tuned document that will provide you with a framework for your business venture.

Similar to a road map, the business plan provides direction in every aspect of business operations from how to market your product to what your expected profits are. Like the road map, you may need to take an occasional detour and make some unplanned changes but you have your final destination or in this case, your business goals, clearly identified for you. As a result, you can prevent taking the wrong path.

Your business plan will also determine the feasibility of your business idea. After objectively viewing all aspects of the business you can make an informed decision that can save you a great deal of time, money and disappointment if the idea is not an opportunity. It is the final test of your business venture before you start it up.

Finally, if you need to attract financing from bankers or investors they will require a business plan to assess the viability of your business venture.

Writing Your Plan

Here are six things to keep in mind as you write your business plan.

- Make the plan easy to read and follow!
- Type and bind the plan.
- Use standard letter size paper.
- Be precise and support statements you make.
- Sign and date your plan.
- BE PROFESSIONAL

The Format

There are many formats that are used for business plans. You need to select a format that allows you to cover all the necessary points and communicate clearly the nature of your business opportunity.

The following format is suggested to guide you in your own business plan development. However, if there are important and relevant issues about your business that are not considered in this format, create a section in your plan to accommodate them.

Business Development Exercise II

Can you identify each of the following components of a business plan?

1. T _____ P _____
2. T _____ of C _____
3. E _____ S _____
- or B _____ P _____
4. O _____
5. M _____ and O _____
6. M _____ and O _____
7. F _____
8. F _____ S _____
9. A _____

The following pages describe in detail, the information that needs to be covered in each section. Notice the format of titles and subtitles.

TITLE PAGE

Should Contain:

- Business name (and logo if appropriate).
- Business address, phone number, fax number if known.
- Prepared by “Your Name”.
- Be sure to include the year(s) that the business plan covers.
- The title page should be neat and professional to give readers confidence in your business, your plan, and you.

For Example:

BUSINESS PLAN FOR “SOMEBODY CONSULTING”

123 ANYWHERE STREET
STRATHMORE, ALBERTA
T1P 1A1

PHONE (403) 123-4567

FAX (403) 456-7890

PREPARED BY: Ralph Somebody

FOR THE PERIOD: January 1 – December 31, 1998

DATE: Month/Day/Year

TABLE OF CONTENTS

The Table of Contents allows readers to locate information quickly and easily. It should be completed after your entire business plan is complete and pages are numbered.

For Example:

Table of Contents

Executive summary.....	1
Objectives.....	2
Management/Organization of Business.....	3
Etc.....	4