

[NAME OF COMPANY]

BUSINESS PLAN

[date business plan issued]

**Contact: [name], CEO [or President]
[address]
[phone no. & fax no.]
[email]
[web site]**

The information contained in this business plan is confidential and proprietary to [NAME OF COMPANY] (the "Company") and is intended only for the persons to whom it is transmitted by the Company or its representatives. Any reproduction of this document, in whole or in part, or the divulgence of any of its contents without the prior written consent of the Company, is prohibited.

This is a business plan. It does not imply and shall not be construed as an offering of securities. Persons interested in pursuing an investment should contact their professional advisors.

Business Plan Copy No. _____

Confidentiality Agreement

The undersigned reader acknowledges that the information provided by [NAME OF COMPANY] in this business plan is confidential. Therefore, the undersigned reader agrees not to disclose any of such information without the express written permission of [NAME OF COMPANY].

It is hereby acknowledged by the undersigned that the information to be furnished in this business plan is in all respects confidential in nature (other than such information which is already in the public domain through other means) and that any disclosure or use of same by the undersigned may cause serious harm or damage to [NAME OF COMPANY].

Upon request, this document is to be immediately returned to [NAME OF COMPANY].

Signature

Print Name

Date

TABLE OF CONTENTS

Confidentiality Agreement	i
EXECUTIVE SUMMARY	1
I. COMPANY OBJECTIVES	3
1.1 Objectives	3
1.2 Purpose of Business Plan	3
1.3 Vision / Mission Statement	3
1.4 Factors for Success	4
1.5 Risk Factors	4
II. THE COMPANY	5
2.1 History & Background	5
2.2 Directors	5
2.3 Outside Consultants & Professional Advisors	5
2.4 Strategic Alliances	6
2.5 Facilities & Operations	6
III. DESCRIPTION OF PRODUCTS & SERVICES	7
3.1 Products & Services	7
3.2 Project Development	7
3.3 Future Plans	7
3.4 Delivery of Services	8
3.5 Intellectual Property	8
IV. MARKET ANALYSIS & MARKETING PLAN	9
4.1 Industry Analysis	9
4.2 Target Markets	10
4.3 Competitors	10
4.4 Competitive Edge	11
4.5 Market Needs	11
4.6 Marketing Objectives	11
4.7 Marketing Strategy	11
4.8 Pricing Strategy	12
V. MANAGEMENT & ORGANIZATION	13
5.1 Management Team	13
5.2 Organizational Structure	13
5.3 Personnel Plan	13
5.4 Labor Market Issues	13
VI. FINANCIAL PLAN	14
6.1 Important Assumptions	14
6.2 Accounting	14
6.3 Purchasing Controls	14
6.4 Sales Forecast	14
6.5 Capital Requirements	15
6.6 Projected Profit and Loss	16
6.7 Projected Cash Flow	17
6.8 Projected Balance Sheet	18
6.9 Business Ratios	19
APPENDIX "A" [support documents]	20

[NAME OF BUSINESS] BUSINESS PLAN

EXECUTIVE SUMMARY

(NOTE: The Executive Summary is the section of the business plan in which you give an overview of the business and highlight the key points and the purpose of your business plan.)

Overview of Business

[NAME OF COMPANY] (the "Company") is a consulting firm which focuses on the development and implementation of Internet-related strategies for medium to large-sized businesses. Our services provide an integrated approach to business strategy encompassing the use of web technology. With a strong understanding of business principles, combined with the flexibility of a number of platforms, network technologies and programming software, the Company is able to design and implement a comprehensive solution to meet our clients' needs.

The Company [is/will be] managed by a team of _____ individuals with a total of _____ years experience in the field of _____, a chief financial officer with _____ years of accounting and administrative experience, and _____ [list]. The Company will be [incorporated / registered] as a _____ [business corporation, limited partnership, etc.] in the [State/Province] of _____.

Mission

[Give a condensed version of the mission statement set out in Section 1]

The Company's mission is to design, implement and maintain websites and improve existing websites to meet the specific requirements of each client. The Company will deliver services that are business-driven rather than technology-driven.

Objectives

[briefly describe the short-term and long-term objectives of the company with respect to sales, profits, growth, etc]

The Company's short-term objectives are to:

- obtain loan or equity financing totaling \$_____ to cover start-up costs and initial operating costs, as well as to support accounts receivable;
- generate _____ contract(s) from large clients, and _____ contracts from mid-sized clients by the end of Year 1;
- be in a profit situation by the end of Year _____.

Our long-term objectives are create customer awareness of the business through personal selling, networking via associations and industry contacts, cultivate a significant number of return clients through superior service and support, and sustain ongoing profitability of the business.

Market Opportunities

[briefly outline the market and available customer base in the area, the number of competitors already servicing that market, and the opportunities that exist now or that you see developing in future for the business.]

Business on the Internet is still in its early stages of development. Most businesses have at least some presence on the Web at this point, however, many are now reassessing their strategy and choice of technology. As millions of websites strive to become more business-driven, there will be an increasing need for firms such as ours that combine business strategy and solid Web implementation experience.

Most of the Company's competitors face significant limitations in that they are tied to their servers and related software, have relatively little experience in cross-platform integration, or have little business

experience, and therefore have a limited understanding of the real needs of their clients. The Company's principals and consultants have ____ combined years of experience implementing database and web solutions across a range of technologies. This experience, in combination with their strong understanding of business organizational and strategic issues, gives the Company the advantage of being business driven rather than technology driven.

Marketing Strategy

The Company will be marketing to medium and large-sized businesses, and will promote its services through personal selling and through the Company website. Bonuses will be paid to staff who secure contracts for the firm. Sales leads will be generated by building on past relationships within the industry as well as forging new relationships. This strategy includes fostering potential joint contracts with advertising executives and systems integrators. Additional networking opportunities will be generated through membership in local associations, attendance at trade shows and involvement in community events.

The firm's website will be a well-designed and organized promotional tool. The objective for the site is that visitors will be able to discover the Company, its capabilities, services and solutions easily and in a short period of time.

Financial Projections

Revenue is projected to increase from \$_____ in [year] to \$_____ in [year]. This represents an annual growth of ____% and ____% in Years 2 and 3, respectively. Sub-contracting consultants' fees are the only direct cost of production, representing ____% of revenues. The principals' wages are projected to total \$_____ in Year 1 and Year 2, rising to \$_____ in Year 3, accounting for ____% to ____% of revenues. Net income is projected to be \$_____ in [year], rising to \$_____ in [year].

Capital Requirements

The Company requires an estimated \$_____ in [start-up/operating] capital. The [loan / equity investment] proceeds will be used to _____. [i.e. purchase computer hardware and software, lease office space, etc.]

Risks of Investment

This Business Plan represents the Company's best estimate of the future of the firm. It should be recognized that not all of the major risks can be predicted or avoided and few business plans are free of errors of omission or commission. Therefore, investors should be aware that this business has inherent risks that should be evaluated prior to any investment.

I. COMPANY OBJECTIVES

(NOTE: This section sets out the corporate objectives, mission statement, current phase of your business, and the company's goals and objectives for future growth.)

1.1 Objectives

[In this section, set out the company's goals (desired achievements / sales levels / etc) and objectives (steps necessary in order to reach the goals).]

The Company's short-term objectives are to:

- obtain loan or equity financing totaling \$_____ to cover start-up costs and initial operating costs, as well as to support accounts receivable;
- generate _____ contract(s) from large clients, and _____ contracts from mid-sized clients by the end of Year 1;
- revenues of \$_____ by the end of Year 1, and \$_____ by the end of Year 3 of the Plan;
- gross margin of at least _____%;
- be profitable by the end of Year _____;
- [list any other objectives]

Our long-term objectives are to create customer awareness of the business through personal selling, networking via associations and industry contacts, cultivate a significant number of return clients through superior service and support, and sustain ongoing profitability of the business.

1.2 Purpose of Business Plan

The Company has developed a comprehensive business plan to _____ [set out purposes of the business plan, e.g. focus and accelerate our marketing activities, sales activities, services development / expansion, distribution and customer service, etc]. To implement these plans, the Company requires [loan / investment] funding totaling \$_____ for the following purposes: [list]

1.3 Vision / Mission Statement

[This is where you will describe the company's vision (where the business is heading) and mission statement (how business will be conducted).]

The Company's mission is to design, implement and maintain websites and improve existing websites to meet the specific requirements of each client. The Company will deliver services that are business-driven rather than technology-driven.

In carrying out our day-to-day business operations, we strive to:

- treat our employees with fairness and respect, and create an enjoyable working atmosphere that inspires loyalty and dedication;
- follow the philosophy that our customers are our first priority;
- be considered as a responsible business leader in the community.

1.4 Factors for Success

Factors which can help assure the Company's success can be defined as follows: *[list]*

- providing the highest quality of service to our clients;
- a continued need for our services in the business community;
- *[include any other success factors]*

1.5 Risk Factors

The Company has identified the following risk factors which could hamper its success:

- problems generating visibility and product positioning;
- overly aggressive and debilitating actions by competitors;
- changes in consumer buying trends;
- changes in federal or state / provincial legislation applicable to the industry;
- *[include any other risk factors]*

Worst case scenarios would include:

- determining that the business cannot support itself on an ongoing basis;
- having to liquidate equipment or intellectual property to cover liabilities;
- *[include any other "worst case" situations]*

Market Risks

Since there are limited barriers to entry in an industry such as this and a growing number of individuals with relevant skills in the job market, the probability of increased competition is fairly high. To counter this challenge, the Company will strive to provide comprehensive service and competitive pricing, and to stay on the leading edge of Internet solutions and emerging technologies.

Other Risks

Among the risks inherent in a consulting firm, the main factors are cyclical cash flow problems and liability issues. Because the industry is project-driven, firms can work on a job for several months before getting paid. Even when the project is complete, it may still take an additional 30 to 60 days to receive payment and, as with any private sector contracts, there is the possibility of incurring bad debts. To mitigate this effect, the Company will request advances and progress payments on a percentage of completion or milestone basis, to be negotiated for each project.

Another major risk for consultants is the possibility of being sued by a client. Generally, these suits are either for breach of contract or tort liability. A suit for breach of contract means that the client feels that the consultant has failed to deliver what was promised under the contract. Consultants can also be sued for negligence. The Company has professional liability insurance as protection in the event of a lawsuit. To reduce the chances of such an event, all members of the team will operate in a professional manner, taking steps to ensure that communication with clients is clear, concise and well documented.

II. THE COMPANY

(NOTE: Use this section to describe the history, structure, purpose, operations, board of directors, outside consultants and strategic alliances of the business. If you are starting up a new company, describe the proposed structure, and set out the reasons for starting up the business.)

2.1 History & Background

[The following is provided by way of example and should be revised to fit your particular circumstances.]

The Company was incorporated on _____ [date] in the [State/Province] of _____. The head office of the Company is located at [address].

To date, the Company has issued _____ shares of common stock *[provide details on all shares of stock issued and outstanding]*. The following table sets out the current shareholders and the number of shares owned by each:

Name of Shareholder	Address	No. & Class of Shares

The remainder of the issued and outstanding common shares are retained by the Company for [future distribution / allocation under the Company’s employee stock option plan / etc].

The Company currently has outstanding shareholder loans in the aggregate sum of \$ _____. The following table sets out the details of the shareholder loans:

Name of Shareholder	Amount of Loan	Date of Loan	Balance Outstanding

2.2 Directors

The Company’s Board of Directors, which [will be /is] made up of highly qualified business and industry professionals/experts, [will be a valuable asset to the Company and instrumental to its development by assisting/assists] our management team in making appropriate decisions and taking the most effective action; however, they [will not be/are not] responsible for management decisions. The following persons [will make up the/are the current] Board of Directors of the Company: *[list each person on the Board]*

Name of Person

business & educational background, past industry experience, other companies in which the person played a key role

Name of Person

business & educational background, past industry experience, other companies in which the person played a key role

2.3 Outside Consultants & Professional Advisors

At present, no outside consultants or professional advisors have been retained. *[if outside consultants have been retained, list them and their credentials:]* The Company’s outside consultants and professional advisors provide tremendous input and support to enable management to make well-informed, creative and appropriate decisions:

- [accountant/cpa]

- [legal counsel]
- [others]

2.4 Strategic Alliances

[List strategic alliances / partnerships which assist the company in providing high quality service and establishing/maintaining its reputation, and which give the company an additional competitive edge]

2.5 Facilities & Operations

[Describe the company's office(s), square footage, location, etc, and whether the company owns or leases its office(s). Also describe the company's computer systems, pagers, wireless, etc.]

The Company's offices are located at _____. We have entered into a ____-year lease for approximately _____ sq. ft. of office space in the building called _____. The location is close to _____, and has parking for ____ vehicles.

III. DESCRIPTION OF PRODUCTS & SERVICES

(NOTE: In this section, describe your current products and services, the unique features, prices, etc that you offer, current and future R&D plans, enhancements, production and distribution strategies. Include data on proprietary processes, patents, copyrights, etc, which make your products unique.)

3.1 Products & Services

[describe the company's products and services in detail, and discuss why customers will purchase your products / services over those of your competitors]

The Company will provide expertise in website design and site architecture, browser compatibility, choice of service provider, domain name registration, server configuration, navigation, and layout. We will build effective websites for our clients by addressing the issues that will ensure integration of the site with the client's overall business strategy.

The Company will first assess a client's promotional and distribution strategy to decide how best to develop the site. Clients often need only a clear, effective informational site to allow their customers to find information and products quickly and easily. Increasingly, however, companies are beginning to demand more interactive and interesting websites, and the Company is ready to fill this demand.

We will also service the growing demand for companies migrating toward html-based intranet communications systems, and can assist our clients in the installation, implementation and integration of software for this purpose.

The Company provides training courses in web publishing applications, to assist our clients in developing a means to write and maintain their own online content for both internal and public use. We offer expertise and experience in the following platforms: *[list]*.

3.2 Project Development

The Company takes a systematic approach to development, carefully crafting a web strategy that is consistent with a client's overall business strategy. As part of this process, the client's long-term goals will be explored and existing IT systems evaluated, before options are identified and assessed. The Company wants to ensure that our recommendations and implementation will be consistent with the client's current and future strategic requirements. In the design of our products, the Company takes into consideration a range of factors, including the appeal, functionality and intuitiveness of the user interface, the ease of administration and reporting, and the bandwidth requirements.

Most projects begin with a review of the client's existing systems, followed by interviews between consultants and the client's IT staff and strategic planners. An integrated business strategy for the website is developed from this process. Our team then designs an infrastructure for the website that is consistent with the client's requirements and business strategy. Some of the coding and development will be performed by the Company's team of developers, however, the bulk of the work will be sub-contracted to independent contractors who work with the Company on an as needed basis.

3.3 Future Plans

All website projects will be built in a modular fashion. It is expected that future clients will have similar needs and we will be able to tailor our previous work to suit their specific requirements. Using this accumulated experience and expertise, the Company will be able to offer faster and cheaper web solutions in the future.

The Company is also considering selling web access to customers. We require powerful Internet servers in order to conduct our business, which will give us the opportunity to offer web hosting services to a number of clients.

3.4 Delivery of Services

Most of the services provided by the Company will be delivered over the Internet. Whenever required, courier, fax or regular mail will also be used.

3.5 Intellectual Property

Wherever possible, the Company will retain ownership of our work in order to have the right to use it in other applications. In most cases, this will be achieved by selling a lump sum, perpetual software license to the client.

IV. MARKET ANALYSIS & MARKETING PLAN

(NOTE: Use this section to identify your current market (if an existing business) and/or your target market (for new or expanding businesses), the growth potential of the market, market share, competitors and their products and services, factors which impact your business (such as seasonal sales, niche markets, etc). This section will also be where you outline your marketing plan (sales, advertising, PR.)

4.1 Industry Analysis

[Market research will be required for this section. Discuss the industry in general, and specifically in your area, growth or lack of growth, current trends, etc]

According to _____ *[quote your sources and get information as up-to-date as possible]*, there are approximately _____ Internet users across North America, and _____ worldwide. Internet usage continues to grow at an astounding rate. Consumers have become much more savvy about how to use the Internet to research products and services, to shop, and to find the goods and services they need, locally, nationally and internationally. And each year, more and more businesses go online in an attempt to reach an ever-expanding potential market.

Between _____ *[date]* and *[date]*, the number of hosts grew from _____ million to _____ million, representing an average growth of ___% per year. During the same time period, the number of domains has risen from _____ to _____, which is an annual average increase of ___%.

Hosts are the actual computers (servers) connected to the Internet. **Domains** are like individual street addresses. There can be any number of domains assigned to a host. Many large and even mid-sized companies own and operate their own servers internally. Smaller companies typically have their domains hosted by a web hosting server / Internet service provider.

The main use of the Internet is for research, gathering information, and education. This will continue to dominate Internet usage for years to come, whether the information being sought is with respect to products, services, competitors, or today's weather. As technology and security improves, more and more commercial transactions will be done online. Customer service functions and smart database search functionality will be the key developments in the short term.

Product Segments

A wide range of products and services are finding a demand in today's market. These include:

Content Development. As web publishing becomes easier, this function will increasingly be done in-house or migrate to advertising specialists.

Database Development and Integration. For applications such as cross-referenced or searchable listings (for instance, on a site selling a large number of products, such as Office Depot), a database must either be integrated into or developed for the site. Included in this functionality is the ability to update and maintain the database.

Website Structure and Administration. Many businesses are finding it difficult to maintain a website that is up to date, has a logical structure, and uses established web standards. A set of guidelines can be provided to address these issues.

Security. Security has become increasingly important. Protection of internal systems from unauthorized access requires effective firewall strategies. Any organization with an Internet server connected to an internal network is vulnerable. The development of e-commerce relies heavily upon encryption technology. The consumer e-market lags behind the business-to-business segment in this area.

Business Strategy. In order to incorporate intranet, extranet and Internet presence to take full advantage of web technology, companies must restructure their business strategy potential.

THIS IS A 23-PAGE DOCUMENT.