

## **Business Plan Template**

By using this draft, entrepreneurs are able to create business plan step by step and customize it as they insert their numbers and strategic goals. It contains some 200 questions and hints across 9 sections and can be used as a blueprint or to edit directly.

## **Business Plan**

Your Company  
Name(s) of founder(s)

Street and street number  
Postcode, City  
Country

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# 1 Executive Summary

Do not write more than 2 pages. Write the Executive Summary last.

Be concise and straight forward.

Answer the following questions:

What is the problem and how do your products and/or services solve this?

Who will be your customers? End consumers? Business owners?

What does the future hold for your company? When will you reach the break-even point?

What are your companies ultimate objectives? Earning a living from building your own small business? Growing/scaling a company and then sell?

How will your industry sector develop? Why?

What are the best metrics against your objectives?

## 2 Company Description

What do you want to achieve with the company?

(i.e. becoming the market leader in your industry, establishing the best company in customer service, being the most profitable business in the sector, ...)

How do you intend to measure these achievements?

(i.e. in terms of share of revenue, achieving a certain level of ROI or EBIT or IRR, generating sales growth of x% per year, quarter, month ... do not create a simplistic model predicting developments just annually)

Who will be your customers and how do you market the offering?

(e.g., selling to small business owners through an e-commerce tool, open a shop for consumers, serving customers via a hybrid strategy, ...)

*(Be concise and write no more than one or two small paragraphs here, the major part on those issues will follow in the marketing section below)*

Which industry you are in?

*(i.e. computing, bakery, robotics, retail coffee shop, internet of things, hairdressing, ...)*

What changes do you expect in your industry and how (and why!) does your company fit into its evolving structure?

*(i.e. write about the strengths and competencies you bring to the market, about your skills and experience, ...)*

### **Legal settings**

What legal structure will your company have and why have you chosen this structure?

*(i.e. sole-trader business, Partnership, LLC, Incorporation, ...)*

What patents, copyrights, and licences does the company hold?

*Any certificates should be attached in the appendices at the end of the business plan.*

Do the founders/owners have all the legal permits to run the business?

*Some industries have (country-) specific regulations covering professions*

What insurances do you have, if any?

Are there any health, workplace or similar regulations that affect your company? If so, how do you address this?

## **Products and Services**

What are the products and/or services you are offering?

*Provide a full list.*

*Go in any detail you can but describe it in a way so that non-technical and non-industry experts can understand.*

*Avoid technical specifications, patent certificates, pictures and similar items – these belong to the appendices*

Why do customers benefit from the products/services?

*Benefits can be “hard” such as cost savings or social/financial security, and “soft” such as a healthy lifestyle, prestige, pride of ownership, ...*

*Be specific about the specifications you build in your products/services to show the benefits to the customer. For instance, explain what pre and after-sales services you offer, how that differentiates from competition, what communication tools you use to foster client commitment, which retention policies, ...*

### 3 Industry Analysis

What is the overall market size of the industry you are in?

*(If you intend to become a major player in your industry you should also state clearly your projected market share)*

What is the current and future demand in the market?

*(This question may not be exclusively but particularly for high-growth technology start-ups. For instance, provide data on past and current growth rates and estimate future growth rates and the opportunities for your business; estimate trends in customer preferences and the way how competitors may react to that)*

What barriers to entry do you encounter in this market and how do you overcome them?

*(i.e. high capital expenditures, high marketing costs, unique technology, large companies' market dominance, trade tariffs, ...)*

How would a change in technology affect your business?

*Is this a fast-changing, innovative environment where new technologies show up frequently?*

How would a change in government regulations affect your business?

*Not long ago the fact that the UK leaves the EU was unimaginable ...*

How would a change in the economy affect your business?

*For instance, what would a change in the exchange rate policy mean to your business?*

How would a change in your industry affect your business?

*For instance, do you expect one big competitor buys up shop in your fragmented industry?*

#### **Customers**

What bargaining power do your buyers have in your market segment(s)?

*Is it a buyer's market or a seller's market? One way to analyse this is by looking at the inventory: If inventory is low (or gets lower), it may be a seller's market (sellers may gain power in price negotiations).*

Do you offer early payment discounts? Why?

What are the credit policies in your market? Will customers expect you to deliver on credit?

What will be your credit policy?

How do you check the creditworthiness of your customers?

*There are many different service providers that deliver data on companies and private individuals. You may need to conduct some field research in the countries you are going to operate.*

When do you make phone calls if payments are overdue? When do you send a letter? When do you consult an attorney?

*Set yourself clear time frames.*

## **Competition**

What are the key success factors (KSF) in your markets?

What products and services will compete with yours?

*That includes also substitutes and inhouse/do-it-yourself solutions used by your prospects.*

Will there be competition with your complete offering, or just for certain products, in certain geographies or for certain customers groups?

Will your competitors be SME's serving their local markets? Will it be other start-ups? Or will there be large multinationals going for the global scale?

Are there any indirect competitors and/or substitute products or services?

*(i.e. movie theatres have often been considered as competitors to DVD producers although it is a different product)*

What differentiates your products and/or services from your (current and future) competitors?

*(i.e. specific features that cannot easily be copied, skills you have, ...)*

Will there be new market entrants in the future? Why? How will you react to this new competition?

## **Suppliers and Service Providers**

Who are your suppliers and service providers?

How important is each of your supplier? Will you have more than one supplier for critical material and items?

What credit policies do your suppliers have?

*This will affect your liquidity.*

What are common credit policies in your supplier markets? Can you expect early payment discounts? If so, what discounts can you expect?

## **Sales Channels**

*You may have several sales channels at a time, for instance: e-commerce or direct mail (catalogue, mail order), retail shop, wholesale, independent sales agents, sales representative on staff, ...*

## **Revenue Forecast**

*Conduct a revenue forecast for (at least) the first year. Make month-over-month and quarter-over-quarter forecasts for each geography you are active in, each shop you run, each product you sell.*

*Plan also for seasonality if this is appropriate.*

*You may consider that no revenue can be generated in the first months when starting a new business as it takes time to acquire first customers.*



## 4 Marketing and Sales Strategy

Define a marketing and sales strategy in line with your analysis in the previous section. It comprises the classical 5 P's in marketing: Production, Place, Price, Promotion and People.

### **Production**

Where will your products be manufactured?

What is your planned production level and what are your production limits?

What are your plans regarding new product development and how does this affect your production in the long and short-term?

Which capabilities (technical, human) do you need to manufacture your products?

How do you manage quality?

How do you collect and process information for product/service enhancements?

What are the delivery times?

What will your scrap rates be?

Who and how will customer service be managed?

Do you need any inventory? If so, which kind of inventory?

How much will you invest initially in your inventory?

What will be your average inventory investment, e.g., as a percentage of revenues?

What will your inventory turnover rate be? How does this compare to your industry?

Do you need to plan for seasonality in your inventory purchasing?

### **Place**

You may include a map of your location if you feel this is important but do this in the appendices.

Do you plan for any construction work? If so, specify!

Which location will you choose? Why?

Is the (planned) location in line with the way you want to be seen by customers? Why?

What kind of zone do you look for your location? Which kind of building?

Where is the competition located? Is it better to open up a shop near or distant to your competition? Why?

How much space do you need?

Do you need access to special utilities?

How important is the connection to airports, train stations, public transportation?

Is parking space an issue, .e.g., for customers and/or suppliers?

What will your business hours be?

What does your location cost?

*Provide a detailed list of start-up costs (that occur just once at the beginning) and operational costs (that occur month over month), such as initial remodelling, safety payments, rent, utilities, cleaning, maintenance, insurances, ...*

### **Price**

How do you segment the target market you have identified?

*Be as specific as possible (segmentation based on demographics alone is insufficient).*

Are the sub-segments all large enough to allow you conducting viable business? How fast are they supposed to grow in the short and long term?

Why are your products/services superior to the current solutions?

Who is the person that makes the buying decision on your customer's side, and who pays for the product and/or service and what do they expect from you?

*The answer is not always straightforward. For example, the producer of a toy sells its products to a retail chain that demands a high margin and effective advertising while parents may refer to cheap prices and safety angles.*

How can you develop a defensible competitive position in each sub-segment?

What is your value proposition for each sub-segment?

What is your customer's willingness to pay? Which price elasticity do you estimate for each sub-segment?

How do you price your products and/or services?

*(Are you cheaper/more expensive than competitors? Do you intend to change your pricing in the future? How might your competition react to your pricing and how do you counteract?)*

How important is price as a buying factor in your market(s)?

Are your prices higher, lower or at the same level than those of the competition? Why?

What pricing method do you apply? Why?

Which prices do you attach to which products and services and how will this affect your contribution margin as a whole and for each single product and service?

How will you gather information on price changes in the marketplace and how do you intend to react to these changes?

How are your accounts receivable and accounts payable policies in line with your pricing?

### **Promotion**

Which are the core messages you want to be heard by the customers? How do you want to be seen by customers?

What will your integrated media mix be? Digital? Print? Events?

What would your media mix cost? How much of these expenses will be spent just once at the beginning of your start-up and how much do you need to spend frequently?

Which advertising will you use if appropriate?

Will you have support in your promotional activities?

*You may need designers, coders, marketing writers to develop your logo, website and marketing literature.*

How will you communicate with your customers, especially with those who repeatedly buy your offers?

What will your promotional activities cost?

### **People**

Who are the people able to act on critical success factors you have identified above?

In which way are the key people connected up and down the supply chain?

Do you possess all the capabilities that you need yourself?

How do you retain key staff?

Do you hire staff? How many? Will it be skilled/unskilled labour?

Where do you get the staff you need?

Will you provide permanent contracts? Work for hire? Part-time?

Will there be any training requirements? So, who conducts the trainings?

What will the hire and training cost?

What salaries are you going to pay? How do they compare to competitors?

## 5 Management and Organisational Structure

Who are the managers (founders) of the business?

*Describe their competencies and capabilities. One way to do this is using a chart as the following:*

	Finance	Coding	Sales	Marketing	Other capability	Other capability	Other capability
Romana	3	1	1	4	4	1	2
Laura	1	4	1	1	2	3	4
Robert	1	2	4	2	3	2	3
Benjamin	4	1	3	2	3	4	1

1=low expertise to 4=high expertise

What are the organisation's mission and aspirations?

Which of your processes, capabilities or skills cannot be easily duplicated?

Who will be responsible to run the business on a day-to-day basis?

What experience does this person have enabling him/her to run the business?

Is there someone in place if this person leaves the company or if it turns out that (s)he is incapable? If so, who?

If you have more than a dozen or so employees you may include an organisational chart showing the major responsibilities, including brief job description of key staff.

Provide a list of the following person:

*Board of Directors*

*Supervisory Committee*

*Accountants*

*Attorneys*

*Bank*

*Key advisor(s)*

*Non-executive director(s)*

## **6 Start-up expenses**

What are the legal/registration fees?

Which kind of initial expenditures do you have to make?

How is the company funded?

## 7 Financial Projections

What are your financial forecasts year-over-year and quarter-over-quarter and month-on-month? What is your forecast on product/service/department levels?

What operational and capital expenditures do you expect to occur?

What are your expected accounts receivables, payable, inventory?

What is your break-even level?

To which extent is your business scalable and how do you measure that?

*This is especially important when you are raising capital from financial investors.*

Which metrics respond to your objectives? Why?

Is your expected contribution margin acceptable, e.g., compared to competitors?

## 8 Capital requirements

How much money do you need and when? What will the money be spent for?  
(*e.g., hiring key staff, capital expenditure, ...*)

How many follow-up financing rounds are planned? How much capital will be needed?  
When? What will this additional capital be spent for?

What is the projected Return?

What exit strategies do you have in mind?

What “milestones” do you agree to? What kind of financial reporting will you provide to show that you are on track?

What percentage of your company do you offer to investors?

How many board seats or similar rights do you offer to the investors?

What interest rates and other repayment terms can you offer?

What kind of collaterals do you offer, if any?

## **9 Appendices**

Depending on what you used in the business plan the items in the appendices are not limited to but may include:

- research papers
- maps and images of location
- patents and licenses
- copies of contracts (leasing, rental, etc.)
- magazine articles
- letters of recommendations from former customers
- any other items that support your business plan