Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Period \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date \_\_\_\_\_\_\_\_\_\_

pp. 141 – 145 and 194 -207 in the text

A well thought out Business Plan is critical to the success of any new venture. The business plan not only identifies the goals of your business, but it also will outline the plans to execute those goals. It tells you both where you want to go as well as how you are planning to get there.

Many people, though, have a limited view of the business plan and what it can do for them, and even question the need for a written business plan when they start out in business. It is more than just a document you can use to discuss financing with [investors and lenders](http://smallbizclub.com/component/k2/item/334-business-loans-and-other-funding-options?Itemid=593). It also provides an ongoing management tool that you can use to judge your current progress without losing sight of your ultimate destination. The business plan is a way to confirm to both yourself and others that you have given serious thought to your business idea, and that you aren’t acting recklessly. With this kind of proper planning, your business is more likely to succeed and grow.

Each company will have a different business plan, based on the varying factors of company age, size, and industry, but there are a few common core elements that are central to any effective business plan.

**Background Information**

Background Information is an important element of any business plan. Its purpose is to define the management and products that will make the business successful. You will include a summary of the business ownership structure, resumes of owners and management, a history of the business, and product information. This section will be shorter for a new, sole proprietorship and more extensive for a newly acquired business that has been around for years with a number of employees, but will always have that same purpose.

**Marketing Plan**

The [Marketing Plan](http://smallbizclub.com/component/k2/item/388-the-marketing-plan-essential-elements?Itemid=521) occupies a central place in your business plan. It includes research, strategies, and tactics, covering every aspect of marketing—it is more than just media advertisements. You’ll want to include product positioning, packaging, and pricing, as well as distribution and target customers. The marketing plan will also discuss how you will [handle competitors](http://smallbizclub.com/component/k2/item/353-handling-competition-do%E2%80%99s-and-don%E2%80%99ts?Itemid=636), including how you will distinguish yourself from other similar companies. Another part of the marketing plan must anticipate evolving marketing techniques. Over time, you will need to adapt to changes in the business environment, and the marketing plan will describe marketing alternatives. Changes can stem from product or service modifications, technology innovations, or changes in competition.

**Financial Statements**

The [Financial Statements](http://smallbizclub.com/component/k2/item/330-financial-statements-for-small-businesses?Itemid=627) are the final element of a business plan, and a natural extension of the Operating Plan. They can include both historical and projected information, using the operating expenses details you developed in the previous section. With a business plan for an existing company, you’ll include between two and five years of historical financial results, while future projections ought to cover five years of data. A balance sheet, income statement, and statement of cash flows will be among the basic financial Information, along with debt financing and repayment schedules. Your projections should be as accurate as possible, although they will obviously require estimates.

It takes a lot of time and hard work to develop a comprehensive business plan, but it will pay for itself down the road, helping you anticipate problems and set realistic expectations. Even if the plan ultimately proves to show that your business idea cannot succeed, it’s better to invest in the business plan at the outset and find that out than to start without any planning and lose everything. A successful business plan proves that the concept is sound and that you have the foundation to organize and start your business.

**Operating Plan**

The Operating Plan will outline the requirements for implementing and developing your business, including [management philosophy](http://smallbizclub.com/component/k2/item/360-what-does-your-business-believe-in?&Itemid=633), guidelines, and resources. Specific elements to address are people, capital, and facilities. You must determine your plans for funding the business, and to do this you must outline all your costs and expenses. To accurately judge and plan your business’s operations, include [office space](http://smallbizclub.com/component/k2/item/289-physical-location-and-furnishings?Itemid=648), equipment, computers, salaries, and all other necessary matters. Don’t forget: you not only need to outline the resources you need to start the business, but also what you plan to do as the business grows.

**Growth Plan**

The Growth plan will outline your strategies for growing your business. It will outline long term goals and short term goals and describe the product strategy you will use to keep your business going. It will also out line your exit strategy and what happens when you retire.

**Section I: Executive Summary**

Summarizes the main points covered in the business plan.  
Even though the Executive Summary is the first page of the document, it is usually written

Mission Statement, Business name and location, Date business begins, Owner’s name and contact info, opportunity (why is this business needed), services/product offered, summary of the future of the company.

**Section II: Explain Rationale for Starting Business by Utilizing Market Research**

A. Description of Company, Products/Services, and Customers   
 *1. History and background of idea  
2. Describes the product or service  
3. Discusses features and benefits of the products/services offered and how it benefits the customer – discusses satisfying a need for the market  
4. Describes owners/management and their qualifications/experiences and explain why they are capable of running this business.  
5. Locations – general like state or area or online only (specifics will come in the distribution portion of marketing plan)*

B. The Market Analysis section:

1. Discusses target market, market segments  
2. Presents your market research – is there business opportunity in your area – what is it? Is your industry growing? How much? What are trends in your industry?  
3. Features a customer/each segment demographic and psychographic profile  
4. Identifies and analyzes competitors and explains your competitive advantage?

**Section III: The Marketing Mix (the 4 P’s – Your marketing plan)**

A. Marketing Strategy Section

*1. List three marketing SMART Goals – Short term, Medium Term, Long Term (Label them)  
2. Discuss your marketing strategy – build awareness or branding  
3. How much is your marketing budget? How will you allocate it i.e 30k on a website, 20 k on advertising etc.*

B. Marketing Mix Section

*1. Product – specifically what makes you unique  
2. Price – strategy? Low to get more sales or high to convey quality for example  
3. Place – how will you get your products to your customers  
4. Promotion – what strategies will you use – advertisements in magazines (what magazines) newspapers, radio, TV, social media, websites etc. Sponsor events or people. What does your logo look like? Draw it and include it and 2 advertisements in the appendix*

**Section IV: Financial Standings**

Include a narrative discussion of sales, revenue, profit, costs and expenses then attach an actual -

1. Balance Sheet (assets on hand personal capital put in business)

2. Income Statement (projections)

**SECTION V – Organizational Structures**

A. Select a Form of Ownership and explain your rationale for choosing that

*Type of Business start up  
1. Family Business  
2. True start up  
3. Franchise  
4. Acquire an existing business*

Types of Legal Ownership:   
*1. Sole Proprietorship   
2. Partnership  
3. Corporation*

B. Organizational Structure/Management  
1. Size of company   
2. Number of employees  
3. GRAPHICAL Organizational Chart ( picture of who is at the top and the other employees under that)  
4. Job descriptions for each employee  
  
C. Operations Management  
*1. Expenses and costs  
2. Operations (hours, handling disputes etc)  
3. How do you purchase Purchasing materials and who from?  
4. Do you have Inventory? How much and where do you keep it? How do you manage inventory*

**SECTION VI – Growth Plan**

Business growth  
Product differentiation strategy for growth  
Long term and Short term goals  
Challenges  
Exit Strategy – sell., franchise, pass down to family member?

**Grading Rubric for Business Plan**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Grading Criteria** | **Excellent**  **4 points** | **Good**  **3 points** | **Fair**  **2 points** | **Inadequate**  **1 point** |
| **Executive Summary** | Summary generated excitement, was brief, provided an overview of the business, and outlined main points. | Summary was brief, provided an overview of the business, and outlined main points. | Summary was brief, provided an overview of the business, and outlined some main points. | Summary was brief and provided only an overview of the business OR an outline of main points. |
| **Industry and Market Analysis** | Analysis identified and described target consumer and competitors, as well as industry and/or product outlook. Characteristics of a desirable business location were also identified. | Analysis identified and described target consumer and competitors. Characteristics of a desirable business location were also identified. | Analysis identified target consumer and competitors. Characteristics of a desirable business location were also identified. | Analysis failed to provide at least one aspect of required information. |
| **Marketing Plan** | Desired company and/or product image was described. Advertisement methods were described and appropriate for product. | Desired image was described. Some advertisement methods were described and appropriate for product. | Some advertisement methods were described and appropriate for product. Desired image was not discussed. | Advertisement methods provided weren’t described and/or were inappropriate for product. Image wasn’t discussed. |
| **Financial Plan** | Possible financing sources were identified and business financial outlook was described in detail. | Possible financing sources were identified and business financial outlook was described. | Possible financing sources were identified and business financial outlook was mentioned. | Section failed to identify at least one aspect of required information. |
| **Organizational Plan** | Legal description corresponded with lesson on entrepreneurship. Philosophies and policies were well thought out and described in detail. | Legal description corresponded with lesson on entrepreneurship. Philosophies and policies were well thought out and presented. | Legal description presented didn’t correspond with lesson on entrepreneurship and/or philosophies and policies were presented but lacked thought or detail. | Section failed to identify at least one aspect of required information. |
| **Operational Plan** | Section contained detailed information regarding all requested information. | Section contained information regarding at least four aspects of requested information, with some degree of detail. | Section contained information regarding at least three aspects of requested information, with some degree of detail. | Section contained information regarding less than three aspects of requested information, with little or no detail. |
| **Growth Plan** | Business plan outlined practical, yet ambitious, plans for expansion. | Business plan outlined practical plans for expansion. | Expansion plans were outlined, but not very practical or well thought out. | Business plan didn’t adequately describe plans for expansion. |
| **Detail** | Plan was presented in great detail and it was consistently obvious there was great thought behind it. | Plan was generally presented in great detail and appeared to have great thought behind it. | Business plan was presented in some detail with some thought behind it. | Business plan was somewhat lacking in detail and seemed to lack much thought behind it. |
| **Professionalism** | Plan was presented in paragraph format and had no spelling or grammatical errors. Project includes all sources used. Appendix is complete and all worksheets attached | Plan was presented in paragraph format and had few spelling or grammatical errors. Works cited is lacking in minor areas. Appendix includes some worksheets. | Plan was presented in sentence format and had few spelling or grammatical errors. Works cited is extremely limited or too vague. Appendix includes few worksheets | Plan wasn’t presented in sentence format and/or had many spelling or grammatical errors. No works cited. No appendix. |
| **Effectiveness and General Criteria**  **Typed, Binder, Tabs, Cover, TOC, Organized, All parts there.** | Plan was highly effective in describing the business and its operations, as well as eliciting support. All parts were completed and completed with the utmost attention, completeness, and correctness. | Plan was effective in describing the business and its operations, as well as garnering some support. There is obvious effort to attempt to complete all parts. | Plan described the business and its operations, but didn’t garner much support. A general lack of concern for having all parts completed is obvious. | Plan lacked overall effectiveness, as it failed to describe business or garner support. A complete lack of effort in completing all parts is evident. |