

# BUSINESS PLAN TEMPLATE



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Canada

Title Page

Business Name / Proposed Name:

Business Address (Street):

City / Province / Postal:

Phone / Fax / E-mail:

Owner's Name:

Owner Address (Street):

City / Province / Postal:

Telephone:

Fax:

E-mail:

Prepared By:

Date:

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eg:

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## EXECUTIVE SUMMARY

*Highlight the essential details of your business plan. Summarize the main facts and plan into three or four paragraphs on one page. If this is a new business include why you are starting the business.*

## BUSINESS PROFILE

Status of the business: Existing ☐ New ☐ Purchasing ☐

If existing, advise date business established: \_\_\_\_\_

Date the business was registered / incorporated: \_\_\_\_\_

Master business registration or incorporation #: \_\_\_\_\_

Industry Sector:     Retail   ☐   Manufacturing   ☐   Service   ☐   Franchise   ☐   Other   ☐

Briefly describe your business and / or key business objectives and the product or service your business provides.

**Licenses and Registration:**

Description of Location: \_\_\_\_\_

**Size and Space Description:** \_\_\_\_\_

Advantages of the Facilities: \_\_\_\_\_

Lease or Ownership Details: \_\_\_\_\_

## COMPANY MANAGEMENT AND ADVISORS

Form of business ownership:      Sole proprietorship   ☐ Partnership   ☐ Corporation   ☐

Who are the principals / owners?

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Describe the structure of the ownership, the background of the principals and management, key partnerships, subcontractors and strategic alliances within the industry.

What is your involvement in the business? Full-time ☐ Part-time ☐

List your professional associates:

|            |  |
|------------|--|
| Bank       |  |
| Branch     |  |
| Accountant |  |
| Firm       |  |
| Lawyer     |  |

**PRODUCT AND / OR SERVICE**[illegible]

## MARKET ANALYSIS AND STRATEGY

### TRENDS

*Do economic, political, technological or social factors impact your business? What are the major trends and issues? What are the risk factors and your planned response?*

### MARKET

*How big is your market in terms of dollars / geographical region / other?  
How big is the industry and what is your share of that market?*

### CUSTOMER ANALYSIS

*Who are your major customers? Do you have a broad range of customers, or relatively few?  
Why do customers prefer your product or service to that of your competitors? Do you grant credit to your customers, and if so, explain your collection policy?*

## COMPETITION

*Describe your competition in the industry in terms of location, size and their share of the market. What are their strengths and weaknesses and your competitive advantage?*

## SUPPLIERS AND SOURCES

List your major suppliers, the product or service provided, the cost and terms of repayment. Explain how readily you can switch suppliers.

## SUPPORT SERVICES

List the support services your business requires.

[illegible]



*Explain your costs and pricing. What is your markup, price range; do you have sale pricing or discounts?*

Project your *realistic* targeted sales.

[illegible]

Describe your advertising and promotional strategy. Who is your customer group; what is the objective and what is your budget?

## OPERATIONS AND MANAGEMENT

Describe your human resource plan.

| Employees |                      |            |              |
|-----------|----------------------|------------|--------------|
| Job Title | Key Responsibilities | Job Skills | Compensation |
|           |                      |            |              |
|           |                      |            |              |
|           |                      |            |              |
|           |                      |            |              |

Explain your employee policy if applicable.

| Employee Policies and Procedures          |  |
|---|--|
| Hours of Operation                        |  |
| Vacation Program                          |  |
| Performance Management                    |  |
| Training and Development Plan             |  |
| Benefits and Employee Assistance Programs |  |

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*Identify contractual agreements and list all licenses, regulations and insurance that may apply to your business. Identify the strengths and weaknesses of your business at this time.*

List current and required leasehold improvements, equipment, and furniture.

| LEASEHOLD IMPROVEMENTS           |       |                                  |        |
|----------------------------------|-------|----------------------------------|--------|
| Description of existing facility | Value | Description of required facility | Budget |
|                                  |       |                                  |        |
|                                  |       |                                  |        |
|                                  |       |                                  |        |
|                                  |       |                                  |        |
|                                  |       |                                  |        |

## EQUIPMENT AND MACHINERY

| Description of existing | Value | Description of required | Budget |
|-------------------------|-------|-------------------------|--------|
|                         |       |                         |        |
|                         |       |                         |        |
|                         |       |                         |        |
|                         |       |                         |        |
|                         |       |                         |        |

## FURNITURE AND FIXTURES

| Description of existing | Value | Description of required | Budget |
|-------------------------|-------|-------------------------|--------|
|                         |       |                         |        |
|                         |       |                         |        |
|                         |       |                         |        |
|                         |       |                         |        |
|                         |       |                         |        |

## FINANCIAL PLAN

Provide an overview of your financial management system, assets and liabilities. Itemize your current indebtedness and the assets pledged. If you intend to borrow funds, how much do you need and what will the funds be used for? (eg: asset or equipment, inventory or working capital). What assets can be pledged to secure the debt including your personal contributions?

## PROJECTED CASHFLOW

A cashflow forecast projects the money flowing in and out of the business. It is an estimation of the first twelve months of income (sales) and expenditures (disbursements) displayed in table format. Predicting sales will be based on research, customer demand and level of competition and production capacity. Predicting cash receipts will be based on your collection policy (eg: do all customers pay COD or do some pay in 30 or 60 days). Other considerations might be payment terms with your supplies and seasonal fluctuations in revenues.

**CASHFLOW FORECAST FOR FIRST 12 MONTHS OF OPERATION - Estimated Monthly Sales and Expenses**

| <b>Cash Receipts</b>              | Month 1   | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | Total |
|-----------------------------------|---|---|---|---|---|---|---|---|---|----|----|----|-------|
| Cash From Sales                   |   |   |   |   |   |   |   |   |   |    |    |    |       |
| Cash Equity Contribution          |   |   |   |   |   |   |   |   |   |    |    |    |       |
| Other (specify)                   |   |   |   |   |   |   |   |   |   |    |    |    |       |
| <b>TOTAL</b>                      |   |   |   |   |   |   |   |   |   |    |    |    |       |
| <b>Cash Disbursements</b>         |   |   |   |   |   |   |   |   |   |    |    |    |       |
| Advertising & Promotion           |   |   |   |   |   |   |   |   |   |    |    |    |       |
| Bank Charges & Interest           |   |   |   |   |   |   |   |   |   |    |    |    |       |
| Equipment Lease / Purchase        |   |   |   |   |   |   |   |   |   |    |    |    |       |
| Labour Expense / Wages            |   |   |   |   |   |   |   |   |   |    |    |    |       |
| Legal & Accounting                |   |   |   |   |   |   |   |   |   |    |    |    |       |
| Licenses, Dues & Insurance        |   |   |   |   |   |   |   |   |   |    |    |    |       |
| Materials / Inventory / Purchases |   |   |   |   |   |   |   |   |   |    |    |    |       |
| Office Supplies & Postage         |   |   |   |   |   |   |   |   |   |    |    |    |       |
| Personal Drawings                 |   |   |   |   |   |   |   |   |   |    |    |    |       |
| Rent / Property Taxes             |   |   |   |   |   |   |   |   |   |    |    |    |       |
| Repairs & Maintenance             |   |   |   |   |   |   |   |   |   |    |    |    |       |
| Utilities                         |   |   |   |   |   |   |   |   |   |    |    |    |       |
| Vehicle Expense                   |   |   |   |   |   |   |   |   |   |    |    |    |       |
| <b>Loan Repayment</b>             |   |   |   |   |   |   |   |   |   |    |    |    |       |
| Other (Specify)                   |   |   |   |   |   |   |   |   |   |    |    |    |       |
| Other (Specify)                   |   |   |   |   |   |   |   |   |   |    |    |    |       |
| <b>TOTAL</b>                      |   |   |   |   |   |   |   |   |   |    |    |    |       |
| <b>Net Cash</b>                   | Total cash receipts minus total cash disbursements. |   |   |   |   |   |   |   |   |    |    |    |       |
| <b>Monthly Surplus</b>            |   |   |   |   |   |   |   |   |   |    |    |    |       |
| <b>Monthly Deficit</b>            |   |   |   |   |   |   |   |   |   |    |    |    |       |
| <b>Cumulative (To date)</b>       |   |   |   |   |   |   |   |   |   |    |    |    |       |

## **LONG RANGE PLANNING**

*Describe your company's goals and objectives and the time frame involved.*

*List the additional skills and / or assistance required to support your growth (eg: additional management, production or marketing skills required or funding / financial assistance required).*

## **POTENTIAL PROBLEM ANALYSIS**

*Describe any potential problems or risks you foresee and the corresponding preventative measures or responses planned.*

## **APPENDICES AND FINANCIAL STATEMENTS**

Attach these to the end of your business plan.

## BUSINESS PLAN GUIDE

The first and most important step in starting a new business is to prepare a business plan. A business plan is a written summary of what the business hopes to accomplish and what resources are required to achieve success. A *good* business idea may not be a *viable* business opportunity with potential for success. The research, evaluation and preparation of a business plan separates the real opportunities from casual ideas by eliminating the misunderstandings that can arise if you don't put your thoughts and research in writing. The preparation of the written business plan fully develops the concept, identifies areas of concern and distinguishes the planning stages. If the business start-up requires the borrowing of monies, the financial institution of choice will require that a business plan be submitted.

The components of a business plan should include:

- A Title Page - This should include the business name, address, phone number, the name of the person who prepared the plan and the date.
- Table Of Contents - Numbering the page sections allows readers to locate the information quickly and easily.
- An Executive Summary - The executive summary is an introduction to your business; a one page summary that highlights the essential details of your business plan. Even though it appears at the beginning of your business plan, it is usually prepared after you have completed the body of the business plan. Include a brief description of the ownership, management, size, type of organization, location, products and services you offer, financial objectives including projected annual sales and net income, marketing strategy and competitive advantage, major initiatives, accomplishments, goals and the amount of money you expect to borrow and why. If this is a new business state why you are starting the business and how much you are investing into the business.
- Business Profile - Describe the company, the number of years in business (if applicable), provide the details of your key business objectives and your products and / or services. If this is a new business, highlight some of the reasons why you are starting the business. If purchasing an existing business or franchise, advise when and who started the business and state any major changes that have occurred in the business.
- Company Management and Advisors - Describe the structure of the ownership (who are the principal owners and what percentage of ownership if applicable), the background of the principals and management, key partnerships, associates and advisors. (Adequate management skills are essential as are having recruited the best advisors to be found.)
- Products and / or Services - Describe your product or service and the key features of your product or service. What makes your product or service unique? How is your product or service produced? What is the process, resource or material used? What factors affect the process from start to finish? Are there specialized skills, technology, or access to raw materials or suppliers that affect your business. Do you know how and why customers purchase your product or service? What factors influence your customers: price, quality, service, support or lifestyle?
- Market Analysis and Strategy - Include market, trends, competition, pricing strategy, target sales, customer analysis and your advertising and sales promotion strategy. After researching your industry, the products and trends, you should be able to describe and explain the markets in which you intend to operate in terms of area, size, customers and competition. Identify your niche and opportunities in the market and how you can take advantage of and deal with the challenges.  
Can you define your customers by age or gender or business by its size and location? Other considerations are buying habits, lifestyles and determining the products and services they really want. Knowing the features and benefits of your product or service will help you to acquire and keep customers.
- Competition - Prepare a competitive analysis of the primary competition. Who are you competing with in terms of size, location, their product or service? Estimate their sales, strengths and weaknesses. Determine the scope of the market and how much of the market can you realistically capture. Describe your competitive advantage.
- Suppliers and Sources - Identify your supplier and their repayment terms. Identify the support services your require (eg: shipper, subcontractor, legal, accounting).
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- Costs and Pricing - Explain your positioning in the market in terms of costs and pricing. Will the products or service be competitively priced, high end, moderate or low prices? What does your competitor charge for a similar product or service? Is your gross profit within industry standards? Price your product or service with a view to profit, keeping in mind what the mark up will be on regular pricing and what discount you can allow on sale pricing. Project your targeted sales, always using a realistic view. Explain how you will deliver or distribute your product or service and the relevant associated costs.
- Marketing and Promotion - Develop a marketing strategy and budget. Explain your methods of reaching your target customers. Investigate the costs of printed materials, business cards, signs, newspaper and magazine ads, trade shows, fairs, billboards, sponsorships, advertising on radio or television. You may wish to plan for low cost methods of promotion such as networking, joining associations, service clubs or public speaking.
- Operations and Management - Describe the human resource plan; the number of employees; highlight the skills and qualifications of the management and operational team. Explain your employee policies and procedures if applicable. Identify contractual agreements and list all licenses, regulations and insurance that may apply to your business. Identify the strengths and weaknesses of the company at this time. List current and required furniture and fixtures, equipment and machinery; any leasehold improvements
- Financial Plan - Provide an overview of the financial management system, assets and liabilities. Itemize your current indebtedness and the assets pledged. If you intend to borrow, how much do you need and what will the funds be used for? What assets can be pledged to secure the debt including your personal contributions? How will you repay the debt and how long will it take to do so?
- Projected Cashflow - The cashflow forecast projects the money flowing in and out of the business. It is an estimation of the first twelve months of income (sales) and expenditures (disbursements) displayed in table format over one year. Predicting sales will be based on research, customer demand and level of competition and production capacity. Predicting cash receipts will be based on your collection policy (eg: do all customers pay COD or do some pay in 30 or 60 days). Other considerations might be payment terms with your suppliers and seasonal fluctuations in revenues.
- Long Range Planning - Describe the long-term goals and objectives and the additional skills and assistance required to support the planned growth.
- Potential Problem Analysis - Describe any anticipated risks, preventative measures and response.
- Appendices - Appendices are documents that support the claims you have made in your business plan. These may include market research, surveys, letters from potential customers and supplier, appraisals, asset evaluation, product literature, catalogues, examples of advertising, a picture of the location, floor plan, equipment quotes, copies of major contracts etc.
- Financial Statements - In some cases you should attach personal net worth statements prepared individually by you and your partners or guarantors. Display personal and /or joint assets and liabilities. Also state your annual income and annual expenditures. If you have been in business for some time, you should provide your business year end financial statements for the last three years, preferably prepared by a licensed accountant. Include up-to-date current financial statements. If you are a sole proprietor, you should provide your prior years' income tax filing statement.

Your financial statements should include:

An *Income Statement* or Profit and Loss Statement provides the reader with a statement of the sales (revenue) and expenses. The difference between revenue and expenses is the Net Income or Loss.

The *Balance Sheet* is a snapshot of what the company owns (assets) and owes (liabilities) at a given point in time. The difference between the assets and liabilities represents the owner's equity.

A list of *Aged Accounts Receivables* is a listing of your customer base and their payment activities in terms of current, 30 days, 60 days, 120 days and more. This provides the reader with a picture of the company's collection activities, customer buying habits and vulnerabilities.

A list of *Aged Accounts Payable* is a listing of your company's debts to vendors in terms of current, 30, 60, 90 days or more. Government taxes, PST, HST, WSIB, Source Deductions and Income Tax should also be listed. This provides the reader with a picture of the company's spending and repayment habits and supplier base.

Business plan templates that you may complete or use as a guide are available at our office, the Parry Sound Area Community Business & Development Centre Inc., 1A Church St., Parry Sound, ON. P2A 1Y2 or by calling 705-746-4455. It is available electronically on our website at [www.cbdc.parrysound.on.ca](http://www.cbdc.parrysound.on.ca). There are several books available within our library that will assist the entrepreneur with the completion of a business plan.