

Business Plan Basics



A business plan is an essential written document describing and overviewing your company's future. The plan should explain your business strategy to get from where you are now to where you want to be.

The list below gives an overview of the ten critical elements of a good business plan.

Executive Summary

The executive summary should appear first in your business plan, summarizing what you expect your business to accomplish, the company's mission statement, and a short description of your products and services. You can also go ahead and explain why you're starting the company and include details about your experience in the industry.

Company Description

The company description should include essential information about your business, goals, and target customers. You should explain how your company stands out from your competitors and break down its strengths, including the competitive advantages that will give your business the edge to succeed.

Market Analysis

The market analysis should show you have a fundamental understanding of the industry and market you plan to enter by substantiating the strengths you highlighted in your company description with statistics and data. Your market analysis should also describe your target customers; this includes served populations, their income levels, buying habits, which services they want and need, and other target customer preferences. The numbers should help to show why your business can do it better.

Competitive Analysis

The competitive analysis should present a clear comparison of your business vs your competitors by breaking down their strengths and weaknesses. Your end goal is to show how well your company will stack up in comparison.

Business Plan Basics (cont.)



Management and Organisation

This section should state what type of legal entity your company will be and introduce its stakeholders and managers, summarising their skills, experience, and primary responsibilities.

Products and Services

This section details your products and services and how they will meet existing and future demand. Include information on suppliers, manufacturing costs, sale prices, and any relevant copyright or patent concerns.

Marketing Plan

Your marketing plan should describe the steps you will take to promote your products and services to your target customers, including the budget required to implement your strategy.

Sales Strategy

This section should explain who will sell your products and services, how they will be sold, and your sales targets.

Funding

The funding section should detail whether you require external funding to set up your business, the amount, the spending timeline, and how you plan to raise the necessary capital.

Financial Projections

This final section breaks down your financial goals and expectations based on market research. You should include projected income statements, balance sheets, and cash flow statements for the first five years of operation to demonstrate the viability of your business. If you are applying for a loan, you can add an appendix to provide additional financial or background information.