

# BUSINESS PLAN TEMPLATE



**OKVETWORKS**

**A PROGRAM OF**



**OKLAHOMA DEPARTMENT OF  
VETERANS AFFAIRS**

## **Business Plan Template for an Established Business**

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Business plans aren't just for startups. Developing a business plan for an established business serves several purposes: It can help convince investors or lenders to finance your business, persuade a business buyer to purchase your business, or entice partners or key employees to join your company. Most importantly, it serves as a roadmap guiding the growth and continued success of your business throughout its next stages.

Writing a business plan is an opportunity to carefully think through every step to achieving your goals for your company. This is your chance to discover any weaknesses that may threaten your business, identify opportunities you may not have considered, and plan how you will deal with challenges that are likely to arise. Be honest with yourself as you work through your business plan. Don't gloss over potential problems; instead, figure out solutions.

A good business plan is clear and concise. A person outside of your industry should be able to understand it. Avoid overusing industry jargon or terminology.

Most of the time involved in writing your plan should be spent researching and thinking. Make sure to document your research, including the sources of any information you include.

Avoid making unsubstantiated claims or sweeping statements. Investors, lenders, business buyers and others reading your plan will want to see accurate past data and realistic future projections. They will expect your assumptions to be supported with facts.

If your plan is primarily for internal use, it doesn't need to be as fine-tuned as a plan for outside readers. However, you should still think it through carefully, particularly the financial sections.

This template includes instructions for each section of the business plan, followed by corresponding fillable worksheet/s.

The last section in the instructions, "Refining Your Plan," explains ways you may need to modify your plan for specific purposes, such as getting a bank loan, or for specific industries, such as retail.

Proofread your completed plan (or have someone proofread it for you) to make sure it's free of spelling and grammatical errors and that all figures are accurate.

# Business Plan

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[Insert Date]

Company name  
Street address 1  
Street address 2  
City, state, ZIP  
Business phone  
Website URL  
Email address

## Confidentiality Agreement

The undersigned reader acknowledges that any information provided by \_\_\_\_\_ in this business plan, other than information that is in the public domain, is confidential in nature, and that any disclosure or use of same by the reader may cause serious harm or damage to \_\_\_\_\_. Therefore, the undersigned agrees not to disclose it without express written permission from \_\_\_\_\_.

Upon request, the undersigned reader will immediately return this document to \_\_\_\_\_.

Signature \_\_\_\_\_

Name (typed or printed) \_\_\_\_\_

Date \_\_\_\_\_

This is a business plan. It does not imply an offering of securities.

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## I. Instructions: Executive Summary

The Executive Summary is the most important part of your business plan. If you're using your plan to persuade prospective investors or lenders, know this is often the only part they read before deciding whether or not to read the rest of your plan. Your Executive Summary must convey your enthusiasm for your business and get readers excited about it, too.

Write your Executive Summary LAST, after you have completed the rest of the business plan. That way, you'll have thought through all the other elements of your plan and be prepared to summarize them.

The Executive Summary should briefly explain each of the below.

1. **An overview of your business** (one or two sentences).
2. **A description of your product and/or service.** What problems are you solving for your target customers?
3. **Your goals for the business.** Where do you expect the business to be in one year, three years, five years, etc.?
4. **Your target market.** Who are your ideal customers?
5. **Your competition and what differentiates your business.** Who are you up against, and what unique selling proposition has helped you succeed?
6. **Your management team.** What do they bring to the table that gives your business a competitive edge?
7. **Financial outlook for the business.** If you're using the business plan for financing purposes, explain exactly how much money you want, how you will use it, and how that will make your business more profitable, allow you to expand or achieve other goals.

Limit your Executive Summary to one or two pages in total.

After reading the Executive Summary, readers should have a basic understanding of your business, should be excited about its growth potential, and should be interested enough to read further.

***After you've completed your business plan, come back to this section to write your executive summary on the next page.***

## ***Executive Summary***

(Write after you've completed the rest of the business plan.)

## II. Instructions: Company Description

This section explains the basic elements of your business. Include each of the below:

### 1. Company mission statement

A mission statement is a brief explanation of your company's reason for being. It can be as short as a marketing tagline ("*GettingFit is an app that helps motivate users to exercise in a fun, convenient way*") or more involved: ("*Grand Place is a senior day-care center specializing in dementia patients. Our mission is to provide service, safety and a family atmosphere, easing stress for dementia patients and their caregivers alike.*") In general, it's best to keep your mission statement to one or two sentences.

### 2. Company philosophy and vision

- a. What values does your business live by? *Honesty, integrity, caring, innovation and community* are values that might be important to your business philosophy.
- b. *Vision* refers to the long-term outlook for your business. What do you ultimately want it to become? For instance, perhaps your goal for your senior day-care center is to build a national chain or add more senior-care services to your offerings.

### 3. Target market

You will cover this in-depth in the Marketing Plan section. Here, briefly explain who your target customers are.

### 4. Industry

Describe your industry and what makes your business competitive: Is the industry growing, mature or stable? What is the industry outlook long-term and short-term? How is your business taking advantage of projected industry changes and trends? What might happen to your competitors, and how will your business successfully compete?

### 5. Legal structure

- a. Is your business a sole proprietorship, LLC, partnership or corporation? Why did you choose this particular form of business?
- b. If there is more than one owner, explain how ownership is divided. If you have investors, explain the percentage of shares they own. This information is important to investors and lenders.

### 6. Company history

Tell the story of your business, including how long you've been in business, any previous owners of the business, an overview of your sales and profit history, how many employees you have and your business's reputation in the community. Highlight past successes, but also mention your failures and what you learned from them. Explain the most important challenges you faced and how you overcame them.

### 7. Key strengths and core competencies

What is your business's core competency? What are its competitive strengths? What strengths do you personally bring to the business?

### 8. Significant challenges the company faces

Explain the biggest challenges your company faces, both now and in the near future. If your plan is intended to help you get financing, explain how the money will help you meet these challenges.

### 9. Company goals

What are your plans for the future? These might include growth, diversifying your products or services, increasing production or selling the business. Specify both short- and long-term goals, as well as the benchmarks or milestones you plan to use to measure your progress. For example, if one of your goals is to open a second location, milestones might include reaching a specific sales volume or



signing contracts with a certain number of clients in the new market.

After reading the Company Description, the reader should have a basic understanding of your business's mission and vision, goals, target market, competitive landscape and legal structure.

*Use the Company Description Worksheet on the next page to help you complete this section.*

## Company Description Worksheet

<b>Business Name</b>	
<b>Company Mission Statement</b>	
<b>Company Philosophy/ Vision</b>	
<b>Target Market</b>	
<b>Industry/ Competitors</b>	1. 2. 3.
<b>Legal Structure</b>	
<b>Company History</b>	
<b>Strengths/Core Competencies</b>	
<b>Challenges</b>	
<b>Company Goals/Plans</b>	

### III. Instructions: Products & Services

This section expands on the basic information about your products and services included in the Executive Summary and Company Description. Explain in detail each of the below:

1. **Your company's products and/or services:** What do you sell, and how is it manufactured or provided? Include details of relationships with suppliers, manufacturers and/or partners that are essential to delivering the product or service to customers.
2. **The problem the product or service solves:** Every business needs to solve a problem that its customers face. Explain what the problem is and how your product or service solves it. What are its benefits, features and unique selling proposition? Yours isn't the only solution (every business has competitors), but you need to explain why your solution is better than the others, targets a customer base your competitors are ignoring, or has some other characteristic that gives it a competitive edge.
3. **Any proprietary features that give you a competitive advantage:** Is your product patented, or do you have a patent pending? Do you have exclusive agreements with suppliers or vendors to sell a product or service that none of your competitors sell? Do you have the license for a product, technology or service that's in high demand and/or short supply?
4. **How you price your product or service:** Describe the pricing, fee, subscription or leasing structure of your product or service. How does your product or service fit into the competitive landscape in terms of pricing—are you on the low end, mid-range or high end? How does that pricing strategy help you attract customers? What is your profit margin?

Include any product or service details, such as technical specifications, drawings, photos, patent documents and other support information, in the Appendices.

After reading the Products & Services section, the reader should have a clear understanding of what your business does, what problem it solves for customers, and the unique selling proposition that makes it competitive.

Use the [Product and Service Description Worksheet](#) on the next page to help you complete this section.

## ***Product & Service Description Worksheet***

<b>Business Name</b>	
<b>Product/ Service Idea</b>	
<b>Special Benefits</b>	
<b>Unique Features</b>	
<b>Limits and Liabilities</b>	
<b>Production and Delivery</b>	
<b>Suppliers</b>	
<b>Intellectual Property Special Permits</b>	
<b>Product/ Service Description</b>	

## IV. Instructions: Marketing Plan

This section provides details on your industry, the competitive landscape, your target market and how you will market your business to those customers. Even if you're confident you know all there is to know about your market, doing market research will confirm your beliefs and give you supporting evidence to include in your plan.

### 1. Market research

There are two kinds of research: *primary* and *secondary*. *Primary* market research is information you gather yourself. This could include going online or driving around town to identify competitors; interviewing or surveying people who fit the profile of your target customers; or doing traffic counts at a retail location you're considering.

*Secondary* market research is information from sources such as trade organizations and journals, magazines and newspapers, Census data and demographic profiles. You can find this information online, at libraries, from chambers of commerce, from vendors who sell to your industry or from government agencies.

This section of your plan should explain:

- The total size of your industry
- Trends in the industry – is it growing or shrinking?
- The total size of your target market and the share you currently have
- Trends in the target market – is it growing or shrinking? How are customer needs or preferences changing?
- The growth potential of your business. What market share is realistic for you to obtain in the future?

### 2. Barriers to entry

What barriers to entry do new competitors in your industry face? Are these sufficient to protect your business from new competitors entering the market? Barriers to entry might include:

- High startup costs
- High production costs
- High marketing costs
- Brand recognition challenges
- Need for qualified employees
- Need for specialized technology or patents
- Tariffs and quotas
- Unionization in the industry

### 3. Threats and opportunities

What threats does your business face, and what opportunities could arise from the following:

- Changes in government regulations
- Changes in technology
- Changes in the economy
- Changes in your industry

Use the [SWOT Analysis Worksheet](#) on the next page to identify your company's weaknesses and potential threats, as well as its strengths and the potential opportunities you plan to exploit.

## SWOT Analysis Worksheet

	Strengths	Weaknesses	Opportunities	Threats
<b>Product/ Service Offering</b>				
<b>Brand/ Marketing</b>				
<b>Staff/HR</b>				
<b>Finance</b>				
<b>Operations/ Management</b>				
<b>Market</b>				
<b>Can any of your strengths help with improving your weaknesses or combating your threats? If so, please describe how below.</b>				
<b>Based on the information above, what are your immediate goals/next steps?</b>				
<b>Based on the information above, what are your long-term goals/next steps?</b>				

#### 4. Product/service features and benefits

Describe all of your products or services, being sure to focus on the customer's point of view. For each product or service:

- Describe the most important features. What is special about it?
- Describe the most important benefits. What does it do for the customer?

In this section, explain any after-sale services you provide, such as:

- Product delivery
- Warranty/guarantee
- Service contracts
- Ongoing support
- Training
- Refund policy

#### 5. Target customer

Describe your target customer. You may have more than one target customer group. For instance, if you sell a product to consumers through distributors, such as retailers, you have at least two kinds of target customers: the distributors (businesses) and the end users (consumers).

Explain your target customer groups, and create a demographic profile for each group that includes:

##### **For consumers:**

- Age
- Gender
- Location
- Income
- Occupation
- Education level

##### **For businesses:**

- Industry
- Location
- Size
- Stage in business (startup, growing, mature)
- Annual sales

#### 6. Key competitors

Be realistic about your competition, and use your business plan to show that you know how to effectively differentiate your business. This section should:

List companies that compete with yours (including names and locations), products that compete with yours and/or services that compete with yours. Do they compete across the board, or just for specific products, for certain customers or in certain geographic areas?

Also include indirect competitors. For instance, if you own a restaurant that relies on consumers' discretionary spending, then bars and nightclubs are indirect competitors.

Then, assess how your business compares to the competition based on key competitive factors such as price, quality, service and selection. If you find it hard to be impartial, conducting customer surveys or focus groups can help you see how your business stacks up.

Use [the Competitive Analysis Worksheet](#) on the next page to compare your business to your competitors. You can customize the competitive factors to your industry.

## Competitive Analysis Worksheet

For each factor listed in the first column, assess whether you think it's a strength or a weakness (S or W) for your business and for your competitors. Then rank how important each factor is to your target customer on a scale of 1 to 5 (1 = very important; 5 = not very important). Use this information to explain your competitive advantages and disadvantages.

<b>FACTOR</b>	<b>Me</b>	<b>Competitor A</b>	<b>Competitor B</b>	<b>Competitor C</b>	<b>Importance to Customer</b>
<b>Products</b>					
<b>Price</b>					
<b>Quality</b>					
<b>Selection</b>					
<b>Service</b>					
<b>Reliability</b>					
<b>Stability</b>					
<b>Expertise</b>					
<b>Company Reputation</b>					
<b>Location</b>					
<b>Appearance</b>					
<b>Sales Method</b>					
<b>Credit Policies</b>					
<b>Advertising</b>					
<b>Image</b>					



## 7. Positioning/Niche

After analyzing your industry, product/service, customers and competition, you should be able to clearly state your business's niche (your unique segment of the market) as well as your positioning (how you present your company to customers). Explain these in a short paragraph.

## 8. How you market your product/service

In this section, explain the marketing and advertising tactics your business uses. Advertising may include:

- Online
- Print
- Radio
- Cable television
- Out-of-home

Which media do you advertise in, why and how often? How effective has your advertising been? How do you measure its success?

Marketing may include:

- Business website
- Social media marketing
- Email marketing
- Mobile marketing
- Search engine optimization
- Content marketing
- Print marketing materials (brochures, flyers, business cards)
- Public relations
- Trade shows
- Networking
- Word-of-mouth
- Referrals

Which marketing methods do you use and why? How effective has your marketing been? How do you measure its success?

What steps do you take to retain existing customers and sell more to them? How effective are your customer retention efforts? What percentage of customers become repeat customers?

What image do you project for your business brand?

## 9. Promotional budget

How much do you currently spend on the marketing and advertising outreach above? How much do you plan to spend going forward? Include these numbers in your operating plan budget.

Use the [Marketing Expenses Strategy Chart](#) on the next page to calculate the cost of reaching different target markets.

## **Marketing Expenses Strategy Chart**

	<b>Target Market 1</b>	<b>Target Market 2</b>	<b>Target Market 3</b>
<b>One-Time Expenses</b>			
<b>Monthly or Annual Expenses</b>			
<b>Labor Costs</b>			

## 10. Pricing

You explained pricing briefly in the “Products & Services” section; now it’s time to go into more detail. How do you determine your prices? Keep in mind that few small businesses can compete on price without hurting their profit margins. Instead of offering the lowest price, it’s better to go with an average price and compete on quality and service.

- Does your pricing strategy reflect your positioning?
- How do your prices compare with your competitors’ prices? Are they higher, lower or the same? Why?
- How important is price to your customers? It may not be a deciding factor.
- What are your payment acceptance and credit policies?

Use the [Pricing Strategy Worksheet](#) on the next page to help with your pricing.

## Pricing Strategy Worksheet

<b>Business Name</b>		
<b>Which of the following pricing strategies do you employ? Circle one.</b>		
<p style="text-align: center;"><b>Cost Plus</b></p> <p style="text-align: center;"><i>The costs of making/obtaining your product or providing your service, plus enough to make a profit</i></p>	<p style="text-align: center;"><b>Value Based</b></p> <p style="text-align: center;"><i>Based on your competitive advantage and brand (perceived value)</i></p>	<p><b>Other:</b></p>
<p><b>Provide an explanation of your pricing model selection.</b>          Include strategy info on your major product lines/service offerings. List industry/market practices and any considerations to be discussed with your mentor.</p>		

## **11. Location**

Do customers visit your physical location? If so, explain how your location affects your customers. (You'll discuss the physical building itself in the Operations section). Location factors that may benefit your business include:

- Convenient location for customers
- Adequate parking for customers
- Proximity to public transportation or major roads
- Complementary businesses or businesses that draw customers are nearby
- Consistency with your business image

## **12. Distribution channels**

What methods of distribution do you use to sell your products and/or services? These may include:

- Retail
- Direct sales
- Ecommerce
- Wholesale
- Inside sales force
- Outside sales representatives
- OEMs

If you have any strategic partnerships or key distributor relationships that are a factor in your success, explain them here.

How effective is your current distribution strategy? Do you need to make any changes?

*If you are planning to add new distribution channels, use the [Distribution Channel Assessment Worksheet](#) on the next page to assess the pros and cons of each new channel you are considering.*

## **Distribution Channel Assessment Worksheet**

	<b>Distribution Channel 1</b>	<b>Distribution Channel 2</b>	<b>Distribution Channel 3</b>
<b>Ease of Entry</b>			
<b>Geographic Proximity</b>			
<b>Costs</b>			
<b>Competitors' Positions</b>			
<b>Management Experience</b>			
<b>Staffing Capabilities</b>			
<b>Marketing Needs</b>			

### **13. 12-month sales forecast**

Base this on your past sales history, your market research, your marketing strategies and your industry data.

Create two forecasts: a “best guess” scenario (what you really expect) and a “worst case” scenario (one you’re confident you can reach no matter what).

Keep notes on the research and assumptions that go into developing these sales forecasts. Financing sources will want to know what you based the numbers on. If the forecast is significantly different from your past sales history, your plan should explain why.

After reading the Marketing Plan section, the reader should understand who your target customers are, how you market to them, what sales and distribution channels you use, how you position your product/service relative to the competition and how effective these tactics are for your business.

## V. Instructions: Operational Plan

This section explains the daily operation of your business, including its location, equipment, personnel and processes.

### 1. Production

How do you produce your product or deliver your service? Describe your production methods, the equipment you use and how much it costs to produce what you sell.

### 2. Quality control

How do you maintain consistency? Describe the quality control procedures you use.

### 3. Location

Where is your business located? You briefly touched on this in the Company Overview. In this section, expand on that information with details such as:

- a. The size of your location
- b. The type of building (retail, industrial, commercial, etc.)
- c. Zoning restrictions
- d. Accessibility for customers, employees, suppliers and transportation if necessary
- e. Costs including rent, maintenance, utilities, insurance
- f. Whether you own or lease

If you're trying to get financing for a new or bigger location, include a drawing or layout of the proposed facility.

### 4. Legal environment

What type of legal environment does your business operate in? How do you handle legal requirements? Include details such as:

- g. Required licenses and/or permits
- h. Trademarks, copyrights or patents (pending, existing or purchased)
- i. The insurance coverage your business requires
- j. Environmental, health or workplace regulations affecting your business
- k. Special regulations affecting your industry
- l. Bonding requirements, if applicable

### 5. Personnel

What type of personnel does your business employ? Explain details such as:

- m. How many employees do you have?
- n. What types of employees? Are there any licensing or educational requirements?
- o. Do you hire freelancers or independent contractors?
- p. Include job descriptions.
- q. What is the pay structure (hourly, salaried, base plus commission, etc.)?
- r. Do you plan to hire new employees, freelancers or independent contractors in the coming year?
- s. How do you train employees?
- t. What schedules and procedures are in place?



## 6. Inventory

If your business maintains inventory, explain:

- What kind of inventory do you keep on hand (raw materials, supplies, finished products)?
- What is the average value of inventory in stock (in other words, how much are you investing in inventory)?
- What is your rate of inventory turnover? How does this compare to industry averages?
- Do you need more inventory than normal during certain seasons? (For instance, a retailer might need additional inventory for the holiday shopping season.)
- What is your lead time for ordering inventory?

## 7. Suppliers

List your key suppliers, including:

- Names, addresses, websites
- Type and amount of inventory furnished
- Their credit and delivery policies
- History and reliability
- Do you expect any supply shortages or short-term delivery problems in the coming year? If so, how will you handle them?
- Do you have more than one supplier for critical items (as a backup)?
- Do you expect the cost of supplies to hold steady or fluctuate? If the latter, how will you deal with changing costs?
- What are your suppliers' payment terms?
- Are your current suppliers satisfactory or do you plan to look for new suppliers in the coming year?

## 8. Credit policies

If you sell to customers on credit, explain:

- Whether this is typical in your industry (do customers expect it)?
- How much credit do you extend? What are your criteria for extending credit?
- How do you check new customers' creditworthiness?
- What credit terms do you offer?
- Do you offer discounts for prompt payment or early payment?
- Detail how much it costs you to offer credit, including the cost of capital tied up in receivables and the cost of bad debt. Show that you've built these costs into your pricing structure.
- Do you age your accounts receivable every month to monitor late payments?
- How do you handle delinquent customers? Explain your policies, such as when and how you follow up on late payments, and when you get an attorney or collections agency involved.

Also explain how you manage your business's credit and accounts payable.

- How do you monitor your business's credit rating?
- Do you age your accounts payable every month to track and manage what you owe?
- Do your vendors offer prompt or early payment discounts? Do you take advantage of them?

After reading the Operational Plan section, the reader should understand how your business operates on a day-to-day basis.

## VI. Instructions: Management & Organization

This section should give readers an understanding of the people behind your business, their roles and their responsibilities. If you're using your business plan to get financing, know that investors and lenders carefully assess the qualifications of your management team.

### 1. Biographies

Include brief biographies of the owner/s and key employees. Include resumes in the Appendix. Here, summarize your experience and those of your key employees in a few paragraphs per person. Focus on the special experience and skills each person brings to the business.

### 2. Organization Chart

If you have more than 10 employees, include an organization chart showing who is responsible for key functions. Describe the positions of key employees.

### 3. Continuation Plan

How would you continue the business if owner/s or key employees left or were incapacitated?

### 4. Advisors

List the members of your professional/advisory support team, including:

- a. Attorney
- b. Accountant
- c. Board of directors
- d. Advisory board
- e. Insurance agent
- f. Consultants
- g. Banker
- h. Mentors and other advisors

Explain any relevant experience or specializations your advisors have. For instance, does your mentor have experience running and expanding a similar business?

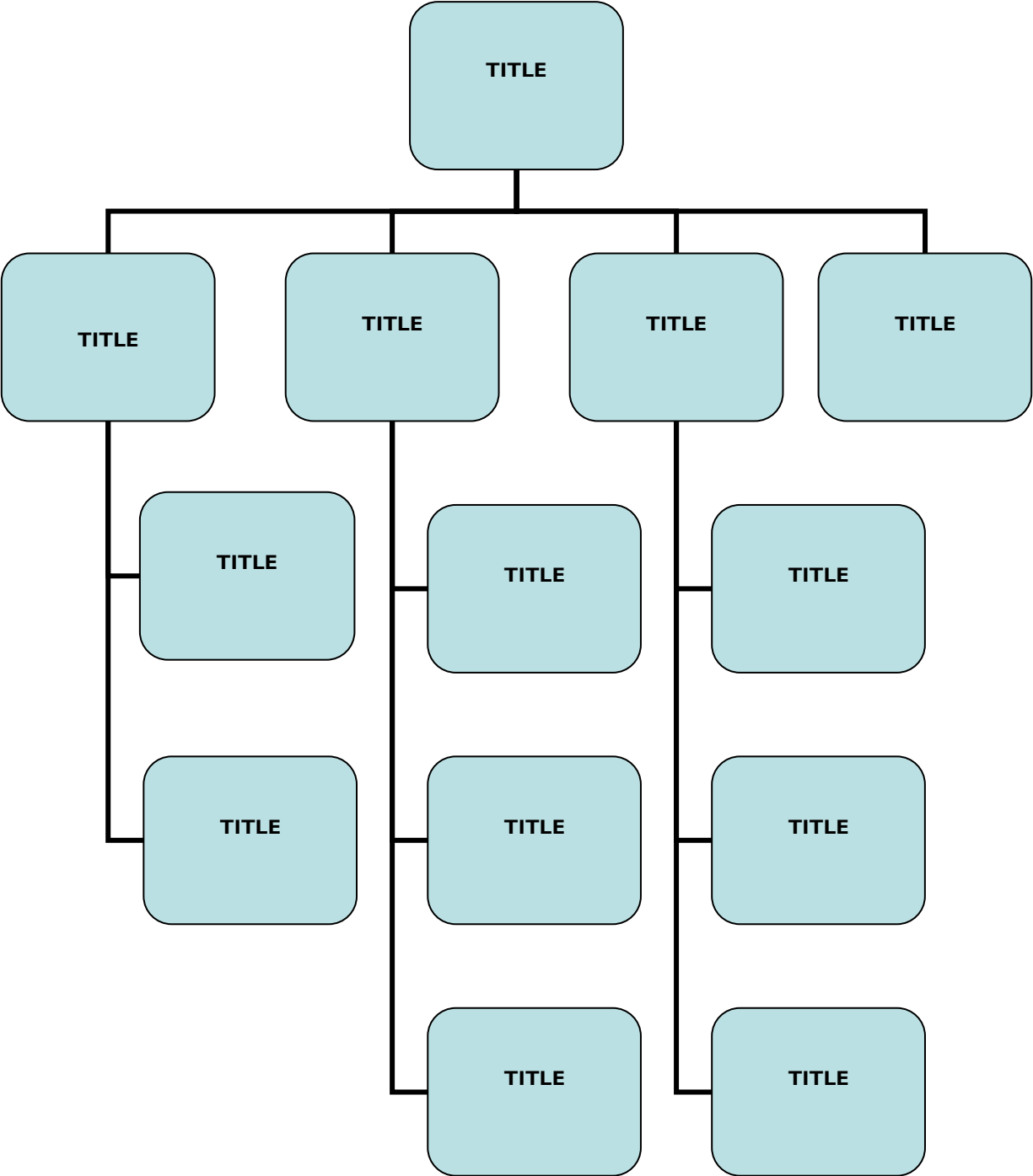
After reading the Management & Organization section, the reader should feel confident in the qualifications of your team.

Use the Management Worksheet and Organization Chart on the next two pages to highlight your management team.

## **Management Worksheet**

<b>Bio/s</b>	
<b>Continuation Plan</b>	
<b>Advisors</b>	

**Organization Chart**



## **VII. Instructions: Personal Financial Statement**

At some point, you may have to draw on your personal assets to finance your business. If you're using this business plan for internal purposes, including a personal financial statement will show you how much capital you have available. If you're presenting the plan to lenders or investors, they'll want to see your personal financial information because they may ask you to personally guarantee the loan.

After reading the Personal Financial Statement section, the reader should know how much money the business owners and/or stockholders have available to finance the business.

## VIII. Instructions: Financial History & Analysis

Reviewing your business's financial history will help you make more accurate financial projections. Financing sources will also consider your financial history to assess your prospects for future growth.

### Debt Schedule

The Debt Schedule table gives in-depth information not usually included in the financial statements themselves. Include a debt schedule in the format below for each note payable on your most recent balance sheet.

### Debt Schedule Table

To whom payable	Original amount	Original date	Present balance	Rate of interest	Maturity date	Monthly payment	Security	Current/ past due