

[COMPANY NAME AND ADDRESS]

Business Model Plan

[Company Logo]

[Author]

[Date Prepared]



Using This Template

Before you complete this business model plan template and start using it, consider the following:

- 1. Do your research.** You will need to make quite a few decisions about your business including business model, structure, marketing strategies and finances analysis before you can complete the template. By having the right information to hand you also can be more accurate in your forecasts and analysis.
- 2. Determine who the plan is for.** Does it have more than one purpose? Will it be used internally or will third parties be involved? Deciding the purpose of the plan can help you target your answers. If third parties are involved, what are they interested in? Although don't assume they are just interested in the finance part of your business. They will be looking for the whole package.
- 3. Do not attempt to fill in the template from start to finish.** First decide which sections are relevant for your business and set aside the sections that don't apply. You can always go back to the other sections later. Remember a business model plan combines the components of a business plan with business model analysis.
- 4. Use the [*italicised text*].** The italicised text is there to help guide you by providing some more detailed questions you may like to answer when preparing your response. **Please note:** If a question does not apply to your circumstances it can be ignored.
- 5. Get some help.** If you aren't confident in completing the plan yourself, you can enlist the help of a professional to look through your plan and provide you with advice.
- 6. Actual vs. Expected figures.** Existing businesses can include actual figures in the plan, but if your business is just starting out and you are using expected figures for turnover and finances you will need to clearly show that these are expected figures or estimates.
- 7. Write your summary last.** Use as few words as possible. You want to get to the point but not overlook important facts. This is also your opportunity to sell yourself. But don't overdo it. You want prospective banks, investors, partners or wholesalers to be able to quickly read your plan, find it realistic and be motivated by what they read.
- 8. Important Point to Remember.** The advantage of a business model plan over a business plan alone is the increased focus on how the business will create profitable revenue streams and less on how the business will operate once it is generating revenue. If you focus on what matters — profitable revenue — the rest tends to take care of itself.
- 9. Review. Review. Review.** Your business model plan is there to make a good impression. Errors will only detract from your professional image. So ask a number of impartial people to proofread your final plan.

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Business Model Plan Summary

[Please complete this page last]

[Your business summary should be no longer than a page and should focus on why your business is going to be successful. Your answers below should briefly summarize your more detailed answers provided throughout the body of this plan.]

Business Background

[This section should detail your company's history. This part will vary, depending on how developed your business is. The history of a startup is obviously different than for an existing company. This section should be about a page long, although it's OK to stay under that limit if you're starting a brand-new company. Investors will review this section of the plan to see who is behind the business, how the business idea came about, and the basic background the business entity has in the marketplace.]

The following points should be covered:

Company

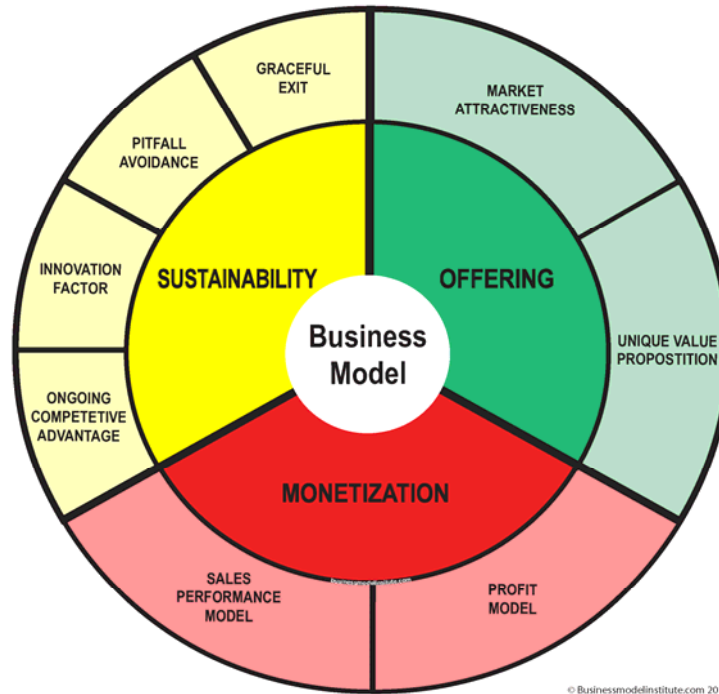
- The business you are in or plan to be in, including a description of your product or services;
- The background of your business, including when it was started, current ownership, its legal structure, and highlights of its progress and prospects; and
- The principals of your business and the roles each played or will play in the firm.

Industry

- A brief discussion of your industry (e.g., restaurant, plastics, executive recruiting, etc.);
- Your view of the current status and prospects for the industry;
- Description of your principal competitors and how they are performing in terms of growth in sales, profits and market share; and
- An analysis of the effect of major economic, social, technological or regulatory trends.

The Crucial Areas of the Business Model

[Your business model is the core concept upon which you build your business model plan. Your business model should be a significant portion of your business model plan.]



Market Attractiveness (Offering – Sector 1)

- It is very important to remember that creating a powerful offering would be a great advantage for your business model. That is creating a product or service that your customers want, need and would buy. However, all this will depend on selecting the right market in order to promote a differentiated offer by defining the business's unique selling proposition, price point(s), unique value proposition, and brand. The following sections will assist you to prepare this section of the business model plan.

The Target Market

[Where do your products/services fit in the market? Are they high-end, competitive or budget? How does this compare to your competitors? What is the market size?]

Target Customers

[Define who your target customers are and how they behave. You can include age, gender, social status, education and attitudes. Identify your key customers. (These can be large consumers of your products or individuals whose satisfaction is key to the success of your business.) How will you educate customers to buy from you? Why will they care?]

- Identify your customers, their characteristics, and their geographic locations; that is, demographics. The description will be completely different depending on whether you

sell to other businesses or directly to consumers. If you sell a consumer product, but sell it through a channel of distributors, wholesalers, and retailers, you must carefully analyze both the end user and the intermediary businesses to which you sell.

Market Research and Analysis

[What statistical research have you completed to help you analyze your market? Did you use a survey/questionnaire? If so, you may like to attach a copy of your survey/questionnaire to the back of this plan.]

- Summarize market growth, total potential market, current percentage market share and any marketing projections (use table in appendix.

Marketing Plan and Strategy

[How will you target your products/service to them? How will you maintain a good relationship with your customers? What techniques will you use? How will you keep your customers coming back? Have you introduced customer service standards? Do you follow any particular code of practice?]

- Strategy is creative and hard to predict. However, the marketing strategy depends a great deal on which market segments the firm has chosen as target market groups. You may also want to look at media strategy, organizational development and other factors. In addition, your marketing strategy normally depends on the target market focus that you chose to emphasize your product or service uniqueness.

Marketing Plan

The marketing plan describes how you intend to sell your product or service, how you will motivate the customer to buy. Begin the process of developing your marketing plan by looking at the key factors that affect the marketing of your product or service such as:

- Facts about your industry
- Total size of your market
- Percentage share of the market you have. (This is important only if you are a major factor in the market.)
- Current demand in target market
- Growth history
- Trends in target market — growth trends, trends in consumer preferences, and trends in product development
- Growth potential and opportunity for a business of your size
- What barriers to entry keep potential new competitors from flooding into your market?
 - High capital costs
 - High production costs
 - High marketing costs
 - Consumer acceptance/brand recognition
 - Training/skills
 - Unique technology/patents
 - Shipping costs
 - Tariff barriers/quotas

Unique Value Proposition (UVP) (Offering –Sector 2)

Products and Services

[How will your products/services succeed in the market where others may have failed? What gives your products/services the edge?]

- For each product or service, describe the most important features. That is, what does the product do? What is special about it?
- Describe their benefits. That is, what does the product/service do for the customer?

Competition

[Why do you have an advantage over your competitors? How will your products/services succeed in the market where others may have failed?]

- What products and companies compete with you? List your major competitors (Appendix table).
- Do they compete with you across the board, just for certain products, certain customers, or in certain locations?

Brand

[Is your brand meaningful to consumers? Do you have a compelling price/value proposition? Does your brand reflect the market share? What's unique about your brand?]

Revenue Model (Monetization –Sector 1)

Margins

[How much of your own money are you contributing towards the business? How much money will you need up-front? Where will you obtain these funds? What portion will you be seeking from other sources? What do your gross margins look like? Are your margins high or low? How much capital did you invest in the business? Where will you obtain funding? Are you profitable? What portion will you be seeking from loans, investors, business partners, friends or relatives, venture capital or government funding? Do you sell on credit? If so, do you really need to? Is it customary in your industry and expected by your clientele? Do you carefully monitor your payables (what you owe to vendors) to take advantage of discounts and to keep your credit rating good? What are your payment and customer credit policies? Briefly outline how much profit you intend on making in a particular timeframe.]

Cost Advantage

[You could also list your main financial management goals such as cost reduction targets. Do you have superior purchasing power ability? Who are your vendors and suppliers? What are your distribution channels? Are supply costs steady or fluctuating? If fluctuating, how do you deal with changing costs? Should you be searching out new sources of supply, or are you satisfied with present suppliers? How important is price as a competitive factor?]

Financials

[How fast is the business expected to grow? What are your financial projections? What's your growth rate? What are your financial objectives?]

- List your key financial objectives. These can be in the form of profit targets or sales targets (can be placed under the sales model).
- Prepare your balance sheet and financials (Appendix)
- Use a forecast spreadsheet to prepare a month-by-month projection (Appendix)
- Prepare your Break-Even Analysis (Appendix)

Sales Model (Monetization – Sector 2)

Sales Forecast

[What is your pricing strategy? Compare your prices with those of your competition. Are they higher, lower, the same? Why? What are the main driving forces behind the sales forecast? Who makes up your sales team? What sales techniques will they use? Can you flowchart your sales process? Can you predict future sales' accurately? How talented & skilled is your sales team?]

Sustainable Competitive Advantage (Sustainability – Sector 1)

[Do you have a particular pricing strategy? Why have you chosen this strategy? Is your competitive advantage defined? Do you have competitive advantage based on differentiation? If so how significant is this competitive advantage? What is the ability of the business to retain skillful and talented work force? What factors give you competitive advantages or disadvantages? Are there significant threat from new competitive entrants or substitute products & services?]

- Some factors that determine the competitive advantage of a business such as:
 - Great Location
 - Leveraging a unique IP or process or copyright, or patent or technological “know how”
 - Brand Loyalty
 - Unique Products or Services
 - Leveraging Key Relationships
 - High Quality at lowest price products/service
 - Financial Advantage

Innovation Factor (Sustainability – Sector 2)

[What R&D activities will you implement to encourage innovation in your business? What financial and/or staff resources will you allocate? Do you have the ability or need to innovate? How do you compare the innovation factor of the business to other competitors? How do you plan to protect your innovations? Do you have confidentiality agreements in place? What financial and/or staff resources will you allocate?]

- List any current IP, trademarks, patents, designs you have registered

Avoidance of Pitfalls (Sustainability – Sector 3)

[Are the pitfalls of the business known or unknown? Do you have location handicap? Is there a likelihood of changes in government regulations or policies that may affect the business in the short and long term? Are you financially savvy? Is the business at risk of litigation?]

- Use the table in the Appendix to identify your potential business risks and the contingency strategies that you intend to implement to offset each identified risk.

Graceful Exit (Sustainability – Sector 4)

[Do you have the ability to exist the business gracefully? Do you have any contingency plans in place? Is your business easily transferable? Is your business undervalued?]

Operational Overview

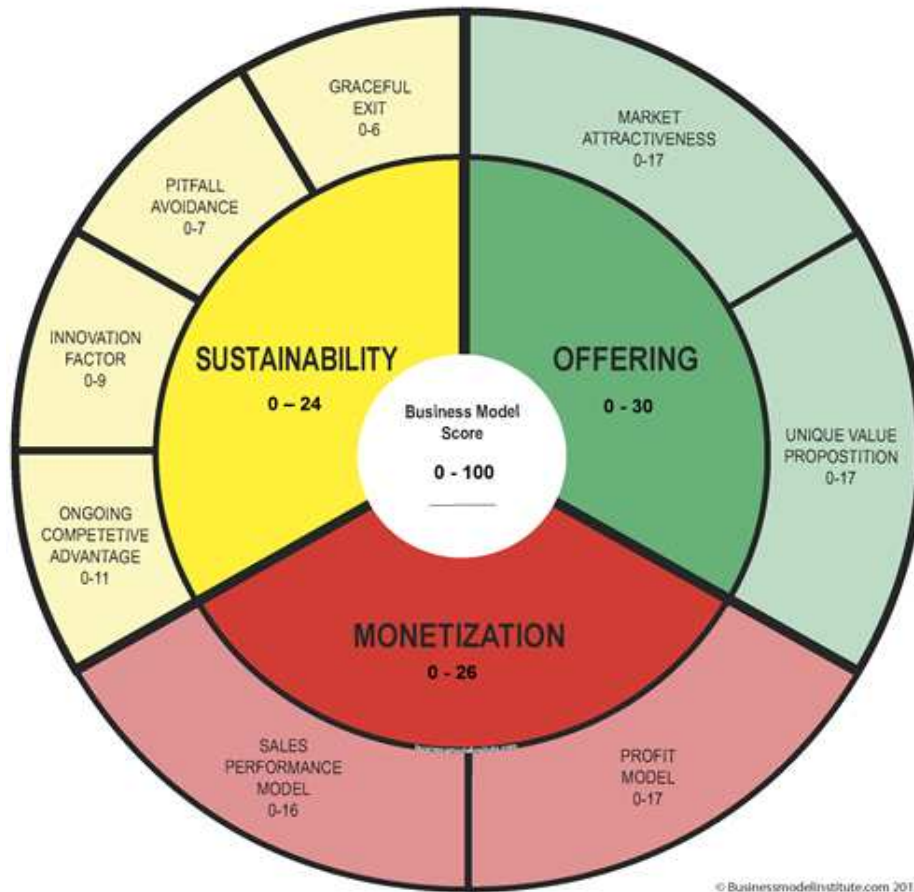
[In this section, you should describe how you plan to produce your product or perform your service, including how and where it will be carried out, your physical space and equipment needs, and your labor requirements.]

Included should be the following information:

- **Location** - Describe the location of the business and the advantages and disadvantages of the site with respect to labor and material costs and availability, proximity to customers, access to transportation, state and local laws (including zoning), and utility costs.
- **Physical Space and Equipment** - Describe the physical facilities in use or to be acquired (leased, purchased or built) and the costs and timing of such acquisitions.
- Estimate future facilities and equipment needs, based on sales projections, including the cost of additional capacity and its timing.
- **Production Processes** - Describe the production processes necessary to develop your product or provide your service, including: method of production; procedures for quality, production and inventory control; raw materials required (including sources, costs, etc.); organization and control of purchasing; breakdown of fixed production costs; and breakdown of variable unit costs by product/service.
- **Labor** - Other than management, describe to what extent the local labor force is adequate in terms of quality and quantity. If applicable, discuss the type of training needed and the cost to your company.

Business Model Score

To add weight to your self-evaluation of the business model, you can have a Certified Business Model Analyst score your model on a scale of 0-100 using the Business Quotient template. Please note that each of the 3 main sections has a separate score depending on the cumulative score of all the sectors associated with it (see diagram below) which overall reflects the strengths and weaknesses of your current model. For instructions how to best score your model visit www.businessmodelinstitute.com/business-model-wheel-scoring



Appendix

Organizational Chart

[Outline your business structure in the chart below.]

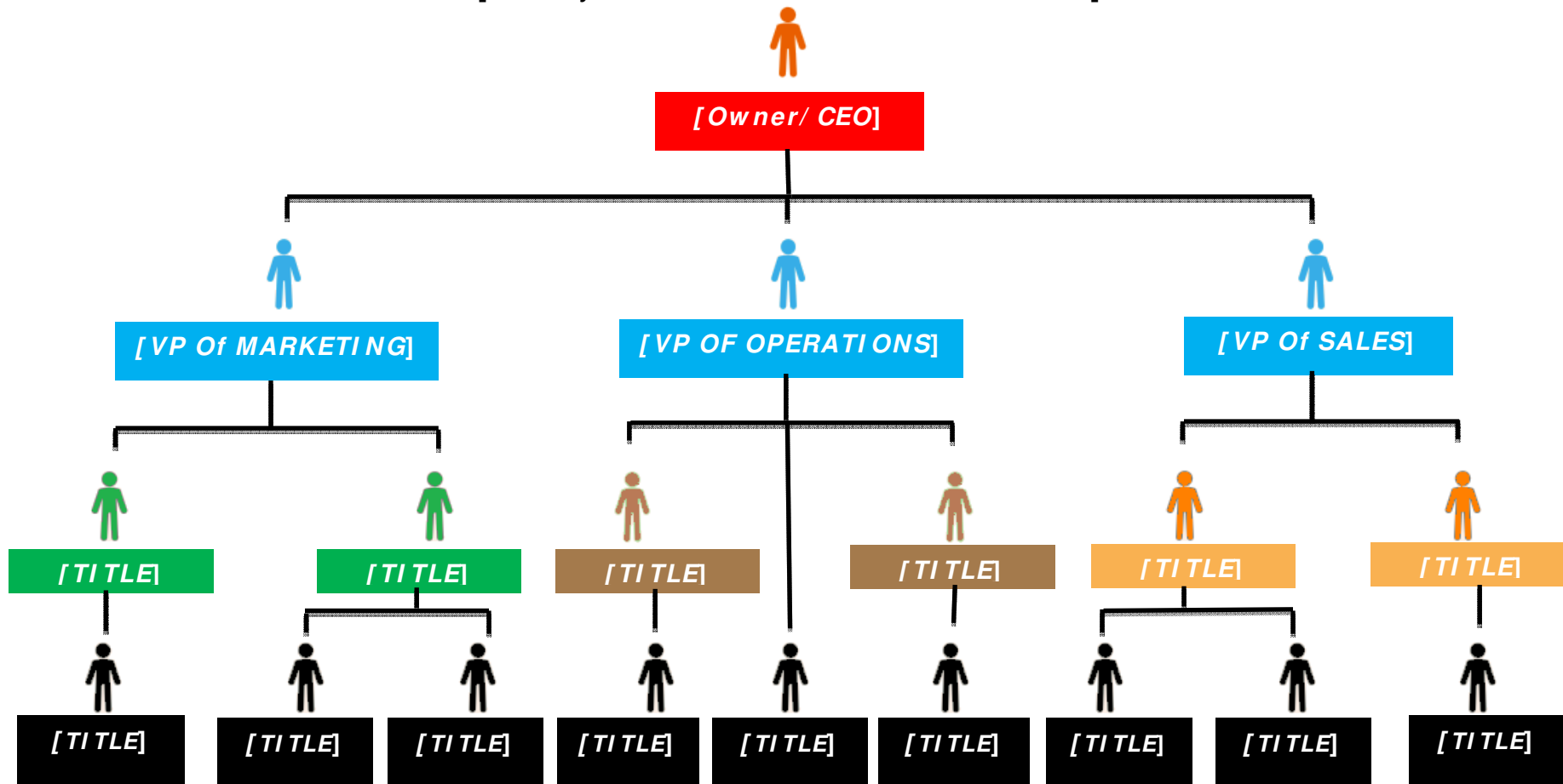


Figure 1: Organization Chart. *[Complete this chart or include your own.]*

Products/Services

Product/ Service	Description	Price
<i>[Product/service name]</i>	<i>[Brief product/service description]</i>	<i>[Price including GST]</i>

SWOT ANALYSIS

[List each of your businesses strengths, weaknesses, opportunities or threats in the table below and then outline how you plan to address each of the weaknesses/threats.]

Strengths	Weaknesses
Opportunities	Threats

Competitors

[How do you rate against your competitors? How can your business improve on what they offer?]

Competitor	Established date	Size	Market share (%)	Value to customers	Strengths	Weaknesses
<i>[Competitor name]</i>	<i>[When were they established?]</i>	<i>[Number of staff and/or turnover]</i>	<i>[Estimated percentage of market share]</i>	<i>[Unique value to customers. E.g. convenience, quality, price or service?]</i>	<i>[What are your competitor's main strengths?]</i>	<i>[What are your competitor's main weaknesses?]</i>
Your Firm						

Sales & Distribution Channels

Channel type	Products/ services	Percentage of sales (%)	Advantages	Disadvantages
<i>[e.g. Shopfront, internet, direct mail, export or wholesale]</i>	<i>[List all the products/services sold via this channel]</i>	<i>[What percentage of overall sales do you expect to sell via this channel?]</i>	<i>[What advantages are there of using this channel for these products?]</i>	<i>[What challenges do you expect to face using this channel? How will you overcome them?]</i>



Start-up Costs

[Double-click the table below to enter your details or attach your own table.]

START-UP COSTS	Cost (\$)	EQUIPMENT/ CAPITAL COSTS	Cost (\$)
Registrations		Business purchase price	
Business name		Franchise tees	
Licences		Start-up capital	
Permits		Plant & equipment	
Domain names		Vehicles	
Trade marks/designs/patents		Computer equipment	
Vehicle registration		Computer software	
More...		Phones	
Membership fees		Fax machine	
Accountant fees		More...	
Solicitor fees		Security system	
Rental lease cost (Rent advance/deposit)		Office equipment	
Utility connections & bonds (Electricity, gas, water)		Furniture	
Phone connection		Shop fitout	
Internet connection		More...	
Computer software			
Training			
Wages			
Stock/raw materials			
Insurance			
Building & contents			
Vehicle			
Public liability			
Professional indemnity			
Product liability			
Workers compensation			
Business assets			
Business revenue			
Printing			
Stationery & office supplies			
Marketing & advertising			
More...			
Total start-up costs	\$0	Total equipment/ capital costs	\$0

Proformas

[Double-click the table below to enter your details or attach your own table.]

EXPECTED CASHFLOW [YEAR]	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
OPENING BALANCE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash incoming												
Sales												
Asset sales												
Debtor receipts												
Other income												
Total incoming	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash outgoing												
Purchases (Stock etc)												
Accountant fees												
Solicitor fees												
Advertising & marketing												
Bank fees & charges												
Interest paid												
Credit card fees												
Utilities (electricity, gas, water)												
Telephone												
Lease/loan payments												
Rent & rates												
Motor vehicle expenses												
Repairs & maintenance												
Stationery & printing												
Membership & affiliation fees												
Licensing												
Insurance												
Superannuation												
Income tax												
Wages (including PAYG)												
More...												
Total outgoing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Monthly cash balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CLOSING BALANCE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Break-Even Analysis

[Double-click the table below to enter your details or attach your own table.]

BREAK-EVEN CALCULATOR	
Timeframe (e.g. monthly/ yearly)	
Average price of each product/service sold	
Average cost of each product/service to make/deliver	
Fixed costs for the month/year	
Percentage of price that is profit	# DIV/0!
Total sales needed to break-even	# DIV/0!
Number of units sold needed to break-even	# DIV/0!

Risk Analysis

[List the potential risks in the Following Table (in order of likelihood) that could impact your business.]

Risk	Likelihood	Impact	Strategy
[Description of the risk and the potential impact to your business.]	[Highly Unlikely, Unlikely, Likely, Highly Likely]	[High, Medium, Low]	[What actions will you take to minimise/ mitigate the potential risk to your business?]

Supporting Documentation

Attach any other supporting documentation in relation to this business model plan template. The attached documents include:

- *[List all of your attachments here. These may include resumes, inventory list, survey/questionnaire and/or any other financial related documents.]*