

# **STEP-BY-STEP BUSINESS PLAN OUTLINE**

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**NECO**

**Community Futures Development Corporation**  
**Société d'Aide au Développement des Collectivités**



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# **Business Plan**

## **Overview**

### **What is a Business Plan?**

A business plan is a written overview of your business venture. It describes both your short-term and long-term goals and objectives for the business you are starting or expanding.

A business plan gives the business owner and others who read the plan a thorough understanding of the product or service the business is offering, the marketplace in which the business will operate, measurable goals and objectives for the business to meet, financial forecasts, and an overall sense of whether the business is viable to be successful.

### **Why is a Business Plan Important?**

A business plan helps you to think through and evaluate your business idea, as well organize and present the information to allow you to communicate it easily to others.

It is not a static document. As market conditions change, the plan should be updated to reflect the new situation in which the business is operating.

Whether used as a preliminary study or an action strategy, the business plan is a blueprint for how the business will evolve. Planning helps to identify and prevent serious mistakes. Errors on paper are easily corrected; in real life they can be financially and psychologically disastrous.

## **Tips for Preparing Your Business Plan**

This business plan is a generic outline suitable for all types of businesses. However, you should modify it to suit your particular circumstances. It typically takes several weeks to complete a good plan. Most of that time is spent in research and re-thinking your ideas and assumptions. Make time to do the job properly. Those who do, never regret the effort. Finally, be sure to keep detailed notes on your sources of information and the assumptions underlying your financial data.

The business plan should be prepared in a professional manner, while considering the reader's reason for reviewing the plan. Therefore, the plan should be organized with easy to find sections and exhibits. After you have completed the plan, it is useful to have others review it prior to forwarding it to potential lenders or investors. In light of the confidential nature of the content contained within the business plan, it is important to carefully control its distribution.

This business plan outline has been researched and prepared by NECO Community Futures Development Corporation. For additional information and assistance with business planning, start-up and financing information, please contact:



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## Section #1

## Executive Summary

*The purpose of this section is to provide a concise overview of the business plan for the reader.*

This section will appear first in the plan, but it should always be written after the rest of the plan has been completed.

The Executive Summary is a description of the business that provides the following information:

- The name of your business
- The location of your business
- The form of ownership (sole proprietorship, partnership, corporation)
- Summary details of the product/service offering
- Financing required

[illegible]

## Section #2

### **Your Business Venture**

*This section introduces readers to your business. It is a broad overview of the business, telling the reader when and why a business is being formed and a brief description of how it will run. This section also includes personal and business goals for the future.*

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Business name:

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Specify the (anticipated) start date of your business:

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Specify the structure of your business  
(choose one):

- ☐ Sole-Proprietorship
- ☐ Partnership
- ☐ Corporation

List the name(s) of the owners:

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Where will your business be located?  
(Specify advantages of location. I.e. high traffic, ample parking, low cost, etc.)

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Describe your business:  
(Including any applicable historical information if it is already in operation or was previously owned by someone else)

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Outline why you think this business will be a success and what will make your business different from other similar businesses already in operation:

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Will your business need extra financing in addition to the personal contribution you plan on making? If yes, how much do you think you will need?

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What are your personal goals for starting a small business?

1. 

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2. 

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3. 

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What are your business goals? What do you hope the business has accomplished after:

One Year:

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Three Years:

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Five Years:

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## Section #3

### **Industry & Market Analysis**

*This section is a description and analysis of your direct, as well as indirect competitors, and how you will compete in the market. It is also an examination of the primary target market for your product or service. Preliminary sources of industry information include: statcan.ca, cobsc.org, strategis.ic.gc.ca, ontario-canada.com.*

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#### **Industry**

Identify what industry your business will be operating in?

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List what trends have occurred in this industry over the past five years, whether economic, social, technological or regulatory. (I.e. Growth, Decline, Stability)

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List what upcoming trends you foresee in the next five years.

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Is this a seasonal business (*circle one*)?

☐ Yes  
☐ No

Are there any specific standards or regulations for this type of business?

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#### **Competition**

List three (3) of your direct competitors (*their location, phone number, & years in business*).

1. 

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2. 

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3. 

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For each competitor, list their strengths and their weaknesses, evaluating them on such things as pricing, product quality, customer service, location, and assortment of offering:

1. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
2. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
3. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

What are your strengths and weaknesses in relation to your major competitors?  
(Mention any potential opportunities or threats to your position in the market.)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Customers:**

Describe your primary target market:

- Age range & Gender
- Income range & Occupation
- Location
- Values/Attitudes/Preferences

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

How often do your customers buy (circle one):

- ☐ Daily  
☐ Weekly  
☐ Monthly

- ☐ One time only  
☐ Other (Seasonal)

\_\_\_\_\_

How big is your target market?

(Consider number of potential customers, annual purchases of the product/service, and anticipated market growth.)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

What are your market share projections?  
(How much of the "pie" are you planning on capturing?)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



## Section #4

### **Marketing Plan**

*This section outlines all of the components of your marketing strategy for the reader. The marketing plan includes a detailed explanation of your sales strategy, pricing plan, and proposed advertising and promotional activities.*

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#### **Product**

What are your product/service's unique features? *What competitive advantage sets you apart from the rest?*

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How are you going to position your product/service against the competition? (I.e. *higher price, higher quality, better selection, etc.*)

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#### **Price:**

What price do you plan to charge for your product/service?

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How did you get to that price?

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How does your pricing compare with that of your major competitors? *I.e. lower, higher?*

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Circle all forms of payment you plan to accept at your business:

- ☐ Credit card  
☐ Debit

- ☐ Cash  
☐ Personal Cheque

What will your terms of sale be? *I.e. credit payments of 30 days*

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What type of discounts will you offer (if any)?

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## **Place:**

Where will you sell and distribute your product/service?

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What are the costs associated with your location:

- Rent:
- Heat/Hydro
- Internet
- Other

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What distribution channels will you use?  
(i.e. How will you get your product/service to the market?)

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## **Advertising & Promotion**

What types of media do you plan to use to generate awareness for your business? What will it cost and how long and how frequently will you run each type of advertising (i.e. start date and end date)?

- ☐ Business Cards
- Cost: \_\_\_\_\_
  - Timeline: \_\_\_\_\_

- ☐ Newspaper
- Cost: \_\_\_\_\_
  - Timeline: \_\_\_\_\_

- ☐ Flyers
- Cost: \_\_\_\_\_
  - Timeline: \_\_\_\_\_

- ☐ Website
- Cost: \_\_\_\_\_
  - Timeline: \_\_\_\_\_

How and where will you obtain free publicity?

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- ☐ Television
- Cost: \_\_\_\_\_
  - Timeline: \_\_\_\_\_

- ☐ Yellow Pages
- Cost: \_\_\_\_\_
  - Timeline: \_\_\_\_\_

- ☐ Other: \_\_\_\_\_
- Cost: \_\_\_\_\_
  - Timeline: \_\_\_\_\_

- ☐ Other: \_\_\_\_\_
- Cost: \_\_\_\_\_
  - Timeline: \_\_\_\_\_

## Section #5

### **Management & Ownership**

*This section outlines the business' legal structure and management team, including internal management, external management or advisory resources/assistance, and any human resources required to conduct operations successfully.*

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#### **Organizational Structure**

# of full-time employees (including yourself)

\_\_\_\_\_

# of part-time employees

\_\_\_\_\_

# of seasonal employees

\_\_\_\_\_

List all of the positions that will be part of your business, as well as the individuals who will fill them:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_

Clearly define the duties and responsibilities of each of the positions outlined above:

1. \_\_\_\_\_  
\_\_\_\_\_
2. \_\_\_\_\_  
\_\_\_\_\_
3. \_\_\_\_\_  
\_\_\_\_\_
4. \_\_\_\_\_  
\_\_\_\_\_

What duties and responsibilities will you be accountable for?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Outline your own experience and strengths and explain how you will be able to perform the tasks you are responsible for:

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What are the required skill-sets needed to effectively manage this business?

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Identify the owners and the strengths (including experience and expertise) they will bring to their roles and the successful operation of the business?

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Indicate some areas of weakness where your team may require some help and guidance.

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Where will you get this guidance?

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## Section #6

### **Operating Plan**

*This section describes the physical requirements of your business operation, including the business' physical location, facilities and equipment. Depending on what type of business you are operating, this section may also include information about inventory, suppliers, and information on the manufacturing process of the product(s) that make up your business offering.*

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Is your business (*circle one*):

- ☐ Home-based  
☐ Commercial location

What are the advantages of the location?

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What are the disadvantages of the location?

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Are there any specific zoning requirements for this type of business (*Make sure you contact the Zoning Department for your municipality – North Bay 705-474-0626 ext. 402*)

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For your facilities, will you: (*circle one*)

- ☐ Purchase  
☐ Rent  
☐ Lease

What will be the associated costs for each?

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For your equipment, will you: (*circle one*)

- ☐ Purchase  
☐ Rent  
☐ Lease

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## Section #7

### **Financial Plan**

*This section is dedicated to the creation of a start-up budget, which will help to identify how much money will be needed to begin operating the business. You will be required to make estimations on such items as inventory, insurance, licensing, etc., in regards to the first three months of monthly operating expenses, as well as capital requirements including such items as land, building, renovations and equipment/furniture.*

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Approximately how much money will you require to start your business?

ITEM	COST
Business Registry	_____
Insurance	_____
Phone Line	_____
_____	_____
_____	_____
_____	_____
_____	_____
<b>Total Start-up Costs</b> ⇒	_____

What are your largest expenditures/capital requirements?

ITEM	COST
Building	_____
Vehicle	_____
Tools	_____
_____	_____
_____	_____
_____	_____
_____	_____
<b>Total Capital Costs</b> ⇒	_____

Where do you plan on getting this financing?  
(Check all that apply and specify amount)

- |  |       |
|--|-------|
| <input type="checkbox"/> Loan from a financial institution | _____ |
| <input type="checkbox"/> Loan from friend/family           | _____ |
| <input type="checkbox"/> Personal investment               | _____ |
| <input type="checkbox"/> Other: _____                      | _____ |

## Cash Flow Statement

### Twelve Month (Projected) Cash Flow Statement

[illegible]

## Section #9

### **Business Financing**

*This section is where you will provide information specific to owner(s) cash and assets contributions, as well as further financial assistances needed in addition to those sources outlined in your Financial Plan. This area will also allow you to further identify and explain which of those items outlined as mandatory to the start-up of your business, whether operational or capital, you are reliant on financing for.*

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What are you and your partners/shareholders contributing to this venture in cash?

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What are you contributing to this venture in assets? *(Give current market value rather than price paid – if there is money owing on these assets, state how much.)*

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How much money are you looking to borrow?

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Please make an itemized list of what the loan is to be used for *(include quotes if possible)*.

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## **Section #10**

### **Exhibits & Appendices**

*The information included should add more detail or support to the information presented in the plan. This information is kept separate from the other sections of your plan to give the reader the option to use it on an “as needed” basis, as well as not to take away from the specifics.*

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The following provides a list of the supporting documentation required (as applicable) to support your Business Plan and/or request for funding:

- Resumes of management & other key people
- Data supporting ability to meet sales goals
- Price schedule for product line(s) or service(s)
- Market research
- Surveys & corresponding statistics
- Patent/License information
- Past financial statements (if applicable/available)
- Photographs/Drawings of product(s) or service(s)
- Partnership/Contract/Legal agreements
- Newspaper/Industry journal articles
- Publicity or previous advertisements
- Letters of Support
- Letter of Intent
- Offers to purchase
- Quotes
- Journeyman tickets or other certificates of importance
- Tax assessments and/or appraisals for property
- A copy of your loan proposal