

Filling In Your Plan: What to Say Where

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Here is a brief overview of the contents of the written plan. Keep in mind that after the first two items, the titles of the subsequent sections can vary. But every business plan should cover the subjects addressed in this overview:

- Cover page. On the cover page goes the name of your company, its address and phone number, and the chief executive's name. That may seem obvious, but it's amazing how many business plans don't have a cover page or have an incomplete one. Nothing will turn off a banker or investor faster than having to look up your telephone number in the phone book because you left it off the cover page. Moreover, if the plan is going to be distributed to several bankers or investors, you will want to number each plan prominently on the cover page -- to allow you to track the plans and to inhibit recipients from copying or widely passing around the plan. (You should also have recipients sign a nondisclosure statement.)
- Table of contents. This should include a logical arrangement of the sections of your business plan, with page numbers. Once again, this is something that seems obvious, but many business plans are put together with content pages and no page numbers.
- Executive summary. This is the heart of the business plan and is of vital importance to both the preparation and final effectiveness of the plan.
- The company. The business plan must provide basic information about the company: its past, present, and future. That is, there should be information about the company's history or, if it's a start-up, about the evolution of the market and product concept. Information is necessary as well about the company's current status. And what is the company's future strategy? What are its goals, and what actions are required to achieve its goals?
- The market. This is your assessment of the customer groups you've targeted, other customer groups you might pursue, the competition, and marketing efforts thus far. Is the market growing, how fast is it growing, and what evidence do you have that it is interested in your product or service?
- The product/service. Here is where you describe your product or service and what makes it special and attractive. What are the components of the product/service? How much do you charge? What services don't you provide? What kind of warranty do you provide, and what are its particular provisions?
- Sales and promotion. This is your assessment of how you intend to carry out your marketing plan -- how you'll reach your customers and sell to them. Do you have an in-house sales force, or will you use manufacturer's representatives, direct mail, or contracted telemarketers to sell your product/service? What kind of public relations do you have planned? Will it be done internally, or will you hire a public relations firm?
- Finances. Here is where you detail your past results, if there are any, and your expectations for the future. This section should include cash flow projections, profit-and-loss statements, and balance sheets. All the figures should be cast in traditional accounting format.

Keep in mind that the order of the subjects listed here is not random; they are given in order of importance. It is no accident that information about markets comes before information about products/services.