

BUSINESS PLAN OUTLINE



For the best outcome, make sure you go through the steps of this business plan outline with your local Wyoming SBDC Network advisor first. Sign up to speak with your local expert at

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INSTRUCTIONS

The following pages contain detailed information on how to complete each section of a business plan.

**NOTE:** This plan is intended for use alongside the mentorship of your local Wyoming SBDC Network advisor. Your advisor can walk you through each section and point out services available to you at no-cost to help with this process. Get in touch with your local advisor here: <https://www.wyomingsbdc.org/sign-up/>

This format includes more information, as opposed to less, to help you think through aspects of your proposed business operation that you may not yet have previously considered. Depending on the kind of business you are planning, some of the information may not be relevant. Feel free to skip or adapt parts of the plan to fit your business model. Of course, if you have any questions or need assistance with this document, don’t hesitate to contact your local Wyoming SBDC Network advisor for no-cost assistance at <https://www.wyomingsbdc.org/sign-up/>.

The Excel worksheets embedded in this document have been included to assist you in gathering information. You can complete and incorporate them throughout your business plan or in its appendix.

**NOTE:** Some of the Excel worksheets have been protected in order to retain the formulas. If you need to increase column width, you will have to unprotect the sheet. Click on Excel Help to learn how to do this. Cells that require text entry will expand to hold all text entered.

Why Write a Business Plan?

If you are applying for a loan or planning to attract investors, the business plan is essential to explain what your business is, how you plan to operate the company, and why you believe the business will be successful. The Wyoming SBDC Network can assist you in receiving financing through traditional loans, SBA Guaranteed Loans, crowdfunding, angel investors, government grants, and more.

Even if you don't require outside financing, outlining the details of the business in the plan can be critical to your success. Writing a business plan forces you to consider and answer tough questions about every aspect of the business.

The business plan serves three purposes.

1. The plan is the owner’s road map for the business, describing where you are planning to lead the business, and how you plan to accomplish those objectives.
2. The plan serves as a letter of introduction to individuals, such as potential key employees, accountants, attorneys, and suppliers, who may be in the position to make decisions that affect your business. The business plan is intended to explain your business to these people and build your credibility.
3. The business plan is your sales tool to potential financiers and investors.

The business plan must be written and presented in a professional manner. The narrative should be concise, precise, thorough, and realistic. In presenting your business to others, this plan represents you, your ideas, and your knowledge.

I. COVER PAGE

Your cover page should contain pertinent identifying information as well as a breakdown of what is inside.

General Information

List the business’ name and address, as well as the names, addresses, phone numbers, and e-mail addresses of the principals. You may want to also include the logo of the business.

Table of Contents

Include page numbers so your reader can locate specific parts of the plan.

II. EXECUTIVE SUMMARY

Written last, but by far the most important part of your business plan, is the Executive Summary. The text can be as short as one-half page, but should not exceed two pages in length, depending on the complexity of the business.

The Executive Summary must sell the business plan to the reader (usually your lender or investor) by highlighting the most important information and insights about the business.

The text should include, but not be limited to, four elements:

* What you intend to do;
* How you plan to do it;
* The resources you need;
* And how you intend to pay back any loans or investments you are seeking.

Business Description

Briefly explain whether you are starting-up a new business venture, expanding an existing business, or purchasing an existing business. Explain what the business is selling (manufacturing, wholesaling or retailing a product, processing a product, offering a service, etc.), and how your product/service is unique. Mention the principals involved and briefly mention their qualifications. Also note the business structure you have chosen.

Method

Outline who your potential market is and how you intend to accomplish your goals and objectives, or simply how and why you will succeed. The Wyoming SBDC Network’s Market Research Center can find the data you need to identify your market.

Resources

Summarize the resources needed, including your investment, and money to be injected from any other sources, including loan(s) you are seeking. Mention the amounts, terms, and rates you seek. The Wyoming SBDC Network’s financial experts can help you determine your funding needs.

Payback

Summarize your projected profits and available cash flow to show approximate payback periods and ***solid*** payback ability (Payback is extremely important to a lender). Need help? The Wyoming SBDC Network can help you put together financial projects at no cost.

**NOTE:** The Executive Summary is written after the rest of the business plan has been completed. The text summarizes the information contained in the rest of your business plan. Your goal is to get the reader’s attention and *sell* the business concept. Be enthusiastic, professional, complete, and concise.

III. BUSINESS DESCRIPTION

In your business plan, describe your business clearly and concisely, summarize what business you will be in, and what you will do. (Suggested length: a short paragraph about each heading.)

The Business

* You may want to start with a Mission Statement, explaining the reason for being and guiding principles of the business. What is your business philosophy?
* Describe the products to be manufactured or the services/goods to be sold. What does/will the business do? Explain your business completely, as this information will be the foundation for the balance of the business plan.
* Where is the business located? Is location important or irrelevant to your success?

History

* Is your business a start-up, acquisition or expansion?
* Why did you to decide to open/expand/purchase this business?
* For existing or expanding businesses:
	+ How and why was the business founded? How long has it been in business?
	+ How long have you (or the current owner) owned the business?
	+ What is the growth history (Sales, volume, customers, etc.)?

Vision and Future Plans

* What is your overall vision of what the business will look like and accomplish once the company is fully developed?
* What do you predict your business will be doing within the next five years? Briefly describe and justify any future product/service development plans.

Industry Trends

The Wyoming SBDC Network’s Market Research Center can assist you with identifying industry trends.

* What are the industry trends in your business? Look at international, national, and local trends, if appropriate.
* Is the market growing or the type of customer changing?
* Have there been changes in the production processes?
* Does the demand for your product exceed current supply?
* Do you anticipate any technological or legal changes that will affect your business?
* How will you deal with these changes? Industry trade associations are an excellent source of information on industry trends.

Organization and Ownership

Your local Wyoming SBDC Network advisor can help you determine which option is best and walk you through the necessary steps.

* Is your business organized as a sole proprietorship, partnership, limited liability company, or corporation (C Corp or S Corp)? Why did you choose that particular alternative?
* List the principals of the company, their financial contributions, and the percentage of the company they own.
* If your business is a partnership, corporation, or an LLC, include legal documents (Articles of Incorporation, Partnership Agreement, Operating Agreement, etc.) in the Appendix.

Management, Personnel and Advisors

A loan or investment for a start-up business is made to the owners, not the business. Thus, potential lenders or investors will carefully evaluate the knowledge and skills of the owners and key managers. The business plan should emphasize the experience, education, and abilities of the key individuals involved in the business.

* Who will manage the business and what is their background? How is your background relevant to this business venture? Summarize relevant paid and unpaid experience. Attach personal resume(s) in the Appendix. Explain the duties and planned compensation (salary, bonus, profit sharing, etc.) of each manager. Specify any gaps you see in coverage of key management functions. Explain how you will fill these gaps. It is far better to define and identify a weakness, than to pretend it doesn’t exist.
* What employees will you have, if any, and what are their job responsibilities and skill requirements? Include titles and who they report to. Be sure all duties are described and clearly defined. Address future staffing needs and the current labor pool in your industry. Do not be afraid to discuss possible risks and explain how you will address them. See Job Description Worksheet below.



* Create a personnel budget. Include job titles, salaries, and hours scheduled. The resulting figures will be used in your financial spreadsheets. See Personnel Budget Worksheet below.



* Include information about contract services you will use (laundry, janitorial, bookkeeping, etc.). How much will these services cost?
* List business advisor names, contact information, and expertise (accountant, lawyer, business consultants, mentors, etc.).

IV. THE MARKETING PLAN

An important part of your business plan will be to outline your marketing plan. The Wyoming SBDC Network has marketing experts who can walk you through this process. You should also take advantage of our free market research services.

Products/Services

Clarify exactly what your business offers, and your plans for the business' future direction. (Suggested length: one or two paragraphs.) You can even meet with the Wyoming SBDC Network’s product development experts to help you with this section.

* Describe the products and/or services you plan to offer in detail.
* If you are expanding a going business, describe any new products and services you plan to offer in the future. Are they an extension or expansion of your current offerings, or are they completely different? Will they change the definition of your business? Are they add-on offerings for your current customers, or will you be seeking a new market to buy them?
* Explain the features of each product/service and what benefit those features will bring to your customers. Features are what will prompt the public to buy from you. For example, a feature of your business might be free delivery. The benefit of that feature to the consumer will be convenience.
* What makes your product/service unique – or – how is your business different from others in the industry? How will you attract, hold and increase market share?
* Provide information on any patents, trade secrets, or other technical advantages you have over the competition.
* Will your products be subject to limited life cycles (i.e. the VCR vs. DVD players)? If so, how will you deal with that problem?
* Will you offer any product or service guarantees/warranties? If so, explain the terms.
* Is there seasonality to your business? If so, explain and discuss how you will handle uneven seasonal cash flow.
* Describe your future growth plans.
* Add any other information about your product or services you think is important.

Market Analysis

Describe your target market. Who are the people currently buying or most likely to buy your products and services. Is your market a specific segment of the population, or the entire population in general? What are the size, location and characteristics of your potential market? If you have more than one target market, please describe each market. For greatest success, you want to focus your marketing efforts on individuals or organizations that are your best customers. Resources for this information may be your industry trade association and/or the Wyoming SBDC Network’s Market Research Center. (Suggested length: one or two paragraphs for each target market.)

For products and services aimed at consumers:

* Describe their general characteristics (demographics). How old are they? What sex are they? Where do they live and work, and what is their income level? What other characteristics do they share? What are their lifestyles, interests, beliefs?
* Describe your market's behavior patterns and attitudes (psychographics). Where do they shop? What do they read? What else do they buy?
* How large is your market? Provide some numerical estimates based on research. How many customers you expect to serve each week or each month? How often will they buy? How much will they spend? Is the market growing or shrinking? This information is very important as the basis of your sales volume forecast. The U.S. Economic Census may be a good resource for information on gross sales of establishments in your industry located in your area. Wyoming SBDC Network can also help you find this information.
* Describe possible future market expansion. Generally, a business can expand its market reach either by adding new products or services, increasing sales/marketing efforts, or expanding into new geographic areas.

For products and services aimed at businesses:

* Describe the characteristics of these businesses. What size are they (employees, sales)? Where are they located? What industries do they represent? What other characteristics do they share?
* Describe their shared behavior patterns. What do they buy now? From whom? How do they buy similar services?
* How large is your market? Provide some numerical estimates based on market research. Provide information on the number of customers you expect to serve each week or each month. How often will they buy? How much will they spend? Is the market growing or shrinking? This information is very important as the basis of your sales volume forecast. Consult the U.S. Economic Census for information on gross sales of establishments in your industry located in your area. Wyoming SBDC Network can also help you find this information.
* Describe other markets you want to access in the future.

Competitive Analysis

Describe the competition, both direct and indirect. Direct competitors are businesses offering products and services similar to yours. Indirect competitors are businesses offering products and services that are substitutes for yours. Your goal is to identify others competing for the same market, get ideas about good practices you should adopt, and avoid competitors' errors. Competition is not a bad thing. Being unable to identify or differentiate yourself from the competition is! Think about why customers will purchase your product/service, as opposed to your competitor’s.

* Analyze your direct competition. List your competitors. Compare their products and services, prices, quality, advertising, management, location, customer service, marketing, reputation and image, etc. to your planned business. What special features and benefits do they offer? Think about how you will compete. What is the income level of their customers? Does your competition consist of large chains or small independent businesses? Be honest. Your new business will not be the best in every aspect. Do not forget internet and catalogue competitors.
* Describe indirect competition to your products and services. Who specifically offers them? What do they charge? What special benefits do they offer?

EXAMPLE OF INDIRECT COMPETITION: A movie theater competes directly with other movie theaters. The theater is also competing indirectly with television, online streaming services, movie rentals, and other kinds of entertainment, such as bowling alleys, live theater, paintball, bars, etc.

Use the worksheet below to analyze your competition.



Location Analysis

What part will your location play in attracting customers? Create a Location Analysis with the help of the Wyoming SBDC Network’s Market Research Center to examine the pros and cons of potential locations. Look at characteristics of both your geographic location and your physical building. Consider details like parking, public transportation, image, proximity to competitors, zoning, space for expansion, electric capacity, storage, etc. Will your location be convenient to receive supplies and to distribute your finished products? Use the worksheet below to analyze your location.



Pricing Scheme

Pricing strategies can be complex. Your Wyoming SBDC Network advisor can you with this at any time, as prices must be continually reviewed to reflect the dynamics of cost, market demand, the competition, and profit objectives. The cost of your product or service must encompass more than the actual wholesale price of the product or hourly expense to provide a service. Costs must include the overhead to actually operate the business. A percentage of expenses for property and/or equipment leases, loan payments, utilities, salaries, markdown and/or waste, insurance, taxes and licenses, advertising, etc. needs to be wrapped into the final price of each product or service sold. Do not forget to add a percentage for profit into your cost calculations. If overhead figures are not accurate, you may not earn any profit or even end up with a loss. To establish a pricing strategy, there are four typical methods to consider.

* Cost-plus Pricing. Add up all the costs of production and then add a pre-determined profit margin to represent the value you are providing to your customers.
* Demand Pricing. Determined by an optimum combination of volume and profit. Purchasers buying greater quantities pay lower prices. For example, a wholesaler may purchase greater quantities than a retailer, resulting in economies of scale savings for the manufacturer that can be passed on to the wholesaler. This strategy is difficult to operationalize because you must calculate the price that will generate the optimum ratio between profit and volume before you sell the product or service.
* Competitive Pricing. Set the price based on what the competition charges. Typically used for commodity products that are difficult to differentiate from one another. Often the market leader will set the price that other, smaller companies in the same market will have to follow.
* Value-based Pricing. Set price based on how much the customer believes your product/service is worth.
* Price Skimming. Set a high price and lower it as the market evolves.
* Penetration Pricing. Set a low price to enter a competitive market and increase once brand recognition is achieved.

As you work-out a pricing strategy consider whether the market ready to pay your prices, and whether they are consistent with your product quality, image and marketing strategies?

Sales Volume Potential

* Utilize market research sources to determine your potential sales volume. Economic Census figures, industry trade resources, and Biz Miner reports available from the Wyoming SBDC Network should help you to make this prediction. Sales volume must be greater than expenses, including your salary, or the business will not be worth doing. Don’t forget to consider seasonal sales variations in your prediction. Use the worksheet below to help figure your sales volume.



Marketing Strategies

Present a clear and concise picture of how you plan to market/sell your product/service and how these strategies will produce profits. Once you have decided who and where your customers are in the previous section of the plan, you can decide how to best reach them. Describe your marketing strategies: where your products/services fit in the marketplace; how you plan to package your products and services; how you plan to distribute them; and how you will advertise, promote, and sell them. Create a specific plan detailing how you will reach your market and sell your product. Also include a marketing/advertising budget to finance your plan. (Suggest length: one or two paragraphs detailing each main target area.)

**Positioning**

* Briefly explain where your products/services fit within your industry. Compare price, quality, and special features, image and location, and the income level of your customers to your competitors. How will you address the needs of your customers better than the competition? Be specific and certain.

**Packaging**

* List all the ways you present your products and services in the marketplace.
* What image will you convey? Is your image consistent with your positioning? Are your brochures, business cards, advertising, location, interior décor, product packaging, and other methods of presenting your products consistent with the markets you serve?
* Are there unique aspects to your packaging that will benefit your consumers (easy open, self-store, easy ship, etc.)?

**Distribution**

* List the methods you will utilize to get your products to your customers.
* What are the requirements for each distribution method? Include both your requirements and those of any intermediaries.
* What will distribution cost your company?

**Promotion, Advertising, and Direct Selling**

* Describe how your market will learn about your products and services. Detail your plans regarding advertising, direct sales, and public relations methods. Include a budget for these activities. Advertising costs generally depend on frequency, reach, and ad size.
* How many people can you reach with each method? Will it be cost effective?
* Include a specific plan. When do you plan to accomplish each step of the marketing plan? What are the sales goals connected with each marketing strategy? How much will each medium cost? If your plan is very long, place your advertising schedule and budget in the Appendix. The worksheet below should be useful to plan your marketing schedule and budget.
* What will you do if your marketing ideas don't work? List any other strategies you plan to use in the future.



**Customer Service**

* As a component of your marketing strategy, how will you handle complaints?
* How will you handle returns?
* What extra customer services will you offer in order to increase your competitive advantage? Consider – free delivery, extra opening hours, previews for special customers, free shipping, free shipping on returns, gift wrap, etc.

The Wyoming SBDC Network has experts in every field of marketing. Talk to your advisor to learn more about the options that best fit your business.

V. THE OPERATIONS PLAN

This part of the business plan varies greatly, depending on the type of business.

Operations will not have to be very detailed for a one-person service industry. For a retail business, the operations plan will vary, depending on size, number of products and services offered, types of products, and complexity of the business. A manufacturing business may require a detailed explanation of the manufacturing, sales and distribution processes. Think about functions such as, opening and closing the business, handling bank deposits, keeping inventory levels current, and flow of work from one employee to another.

Remember, the reader may not have the time or the capabilities to understand the fine details of the operation. If appropriate, condense this section and refer readers to a longer, more detailed explanation in the attachments section.

Implementation Plan

* Explain the tasks and events which must first be accomplished to start-up the business. You can use a list format, including completion dates and responsible parties, if applicable. Examples of objectives might include complete business plan, obtain financing, sign lease, order furniture and fixtures, order inventory, hire employees, etc.

Materials & Sources of Supply

* What are the materials, supplies, and/or products needed to produce your finished marketable product/service? Include an inventory list, detailing suppliers and prices either in this section or in the Appendix. The bank wants to know how you plan to utilize their funding.
* Briefly discuss your suppliers. Do you have alternatives in case of a problem with one supplier? Do your suppliers have reasonable prices and reliable delivery? Will they extend credit to you?

Methods of Production (Manufacturing)

* Describe the production process and the specific tasks required to make your product. Discuss the necessary work space and tools, the labor involved in production, and the amount of production and lag time for each stage.
* How will you monitor quality?

Methods of Production (Sales/Operations) (Retail)

* Describe the basic set-up of your business. What hours will you operate? Will your hours be convenient for your target market? Will your labor/hours be cost effective? What special items or services will be required in order to reach your target market (displays, samples, etc.)? Will these methods be cost effective?
* Can you and how will you monitor safety, employees, and the sales processes discussed in your plan?
* Do you have alternative or back-up plans? Can they be implemented in a satisfactory manner?
* What credit cards/credit terms will you offer your customers?

Recordkeeping

* Identify the financial activities of your business that require recordkeeping (accounts payable, accounts receivable, payroll, inventory, etc.), and explain how you will record and store this information.
* Many businesses will have other recordkeeping requirements that may involve safety, maintenance, personnel, or other legal issues. Identify these areas and explain how these records will be maintained.
* Determine how often each task must be performed and who will be responsible for each task.

Risk Management

* What insurance coverage will you carry? Why? What are the limits? What are the costs?
* What other risks might your business encounter in the future and how will you handle them?
* Consider the following possibilities. Safety issues? Lack of employees to run the business?
* Poor cash flow? No business? Natural disasters. Personal health problems.

Legal Issues

* Are there specific permits or licenses that you must obtain that are specific to your industry? If so, explain what they are and your current progress in obtaining them. Are there any legal issues that may become pertinent to your operations in the future, either due to new legislation or expansion?

VI. THE FINANCIAL PLAN

The purpose of this section in your business plan is to attach dollar figures to the plans you've created.

Cash flows are the crux of this section, as they illustrate the cyclical nature of the business so you can plan for months when the business may need additional cash. Financial statements allow benchmarking the potential results of your business against the results of other businesses in your industry to assess your risk. If the reader has not yet decided whether to invest in your business, strong pro forma financial figures will be necessary to persuade him/her.

Include explanations about how you calculated the numbers. The financials will show whether the business can realize a profit and whether the business will be a good investment for others. You must understand your figures and be able to defend them.

Take advantage of the Wyoming SBDC Network’s financial experts if you have any questions with this part of the plan.

Investment Required

* Purpose of the loan.
* Loan amount requested.
* Break-down specific uses of the loan funds. (break-down by physical plant, property, equipment, inventory, operating expenses, etc.)
* Source and timing of repayment.
* Owner cash/equipment injection into the business.
* Collateral which you will use to secure the loan.

**NOTE:** The information below explains the financial spreadsheets you need to complete. To finish the Business Plan, please download and fill-in the Excel Financial Spreadsheets Workbook that accompanies this outline. These spreadsheets will become part of your business plan and should be submitted, along with the text.

Budgets

In order to determine how much money you need to start-up, purchase or expand a business, you need to carefully estimate your expenses. The Start-up and Operating Budgets included in the workbook will provide the foundation for the rest of the financial spreadsheets. If you already know how much money you need, start with the Cash Flow.

Cash Flow Projections

Cash flow projections forecast the flow of income and expenses over a period of time. If your business is new, you will need to do at least one year of monthly projections. The following two years can be projected by year. (Some readers will require monthly projections up to break-even point. Be prepared to present monthly for up to three years.)

* An integral part of your projections is the assumptions you made to predict each number on the projection worksheet. Be sure to explain each assumption, either below the figures on your spreadsheet or on a separate attached page. Do not adjust the figures to fit your needs to meet break-even or show a profit. Be realistic and somewhat conservative in your estimates, to reduce the chances of setting yourself up for failure.
* Figuring cash flow by month will show the month(s) of greatest negative cash flow so that you understand how much money you need to operate and when you will need it. Be sure to request enough financing up-front to get you through the year. Consider utilizing a line of credit to equalize cash flow during slow months.

Financial Statements

* Present the latest available balance sheets. Most readers require that they are not more than 90 days old. Also, create a balance sheet after a large loan injection has taken place and show the purchase of assets, inventory, etc. done with that injection.
* An income statement (profit & loss) shows how your net assets have increased or decreased as a result of sales. Be realistic. Don’t customize them to show breakeven or profit that doesn’t exist.
* Break-even point is important to the reader. How many clients, or billing hours, or monthly sales must you realize to break-even? Can you break-even before you invest too much money to ever recover costs and provide an acceptable return? Investors expect to have their principal paid back, plus earn a portion of your profits, in return for the risk they have assumed. If the profit potential doesn't appear larger than the risk potential, don't expect any investor interest.

VII. APPENDIX

The Appendix of you business plan is the place to provie additional information through attachments.

This will clarify or strengthen parts of the business plan narrative. Include detailed information that backs up the assertions in your plan. Most readers do not have either the time nor the interest to dwell on small details. Someone interested in financing your business venture, however, may wish for more information than you have presented in the narrative. This is why the organization, presentation, and the reference in the narrative to the below attachment suggestions are very important.

Include information such as pictures, maps, resumes, legal documents, market research reports, etc.

* Maps
* Resumes
* Job Descriptions
* Operating Agreement
* Personal & Business References
* Plan/Drawing of Interior Layout
* Leases/Contracts
* Picture of Building Exterior
* Letters of Intent to Purchase
* Product Endorsements
* Brochures, Business Cards, Statements, Advertising
* Product Photos
* Other Legal Documents
* Market Research Reports

Remember, your business plan is a reflection of you. This plan does not have to be fancy, but should demonstrate your organizational and planning skills. You own the facts and figures in the plan. You should know how they were derived, be able to defend them, and know how you are going to operate the business in order to meet your projected goals. This is your first step for success.

**If you need assistance, contact your local advisor for no-cost confidential assistance here:** [**https://www.wyomingsbdc.org/sign-up/**](https://www.wyomingsbdc.org/sign-up/)