

Business Plan for *Name of Business*

Introduction

Write this part of the plan last. One sentence each on:

What is the product or service to be offered?

Why is there an opportunity here and now?

How will the business differentiate itself?

Who is the entrepreneur and his or her team?

Marketing

Customers and Target Market

Describe the target customer groups.

Are there a lot of them in this population?

If the population is growing, are the target customer groups growing as a percentage of the population?

Can survey data show that the products/services are in high demand?

Competition

Are there few or no competitors?

Or, do existing competitors not offer the products planned?

Or, are competitors' prices very high compared to what customers might expect?

Or, are competitors' customer ratings very bad?

Products & Prices

Given customer demand and competition, what goods or services will you offer initially?

If successful, what goods or services will you add over time?

Do you plan to have more than one location?

How will goods or services be priced?

Will prices be based on competition? Cost of goods? Customer value?

Reaching Customers

Can the target groups be identified and targeted given the advertising options available? (In the sim, these are social media options.)

Given the targeting options, how much will it likely cost to make customers aware of the new business and its offerings?

Financial Management

Risks

How much risk exposure does this business have?

Can clients easily get seriously injured or sick from your actions?

Can you purchase insurance at reasonable rates?

How much will you need?

If your business is risky, does the form of business you chose protect your personal assets from claims against the business?

Projections

How much will it cost to set up your business given your form of ownership?

How much is your lease for your building?

What equipment will you need to buy to offer your initial set of goods/services?

How much does all that equipment cost?

What will your initial payroll (wages) be?

What will payroll taxes be (use 16% of payroll)?

What other expenses do you anticipate? Insurance? Utilities (use \$2 per sq ft)?

How do you expect your revenue to ramp up over the first year?

What will your cost of goods sold and gross margin be given that revenue and the consumable supplies you need to supply it?

Using a spreadsheet or other method of calculation, calculate your weekly expected income and spending for the first 6 months. It will initially be mostly spending so you will be operating at a loss each week.

Add up those losses until your weekly cash flow turns positive. This is an estimate of the money you will need to start your business.

Funding Requests

What do you have in personal savings?

How much are you willing to risk in this venture?

How does your choice of form of business affect your sources of funding? Selling stock? Contributions from partners?

Do you intend to get a bank loan?

How much will you need in addition to any savings you contribute?

If you get a loan, how much will the interest be each week?

Operations

In-Building

Is the building you will lease large enough to support your planned business for the first few years?

Is there room for expansion beyond that?

How will you layout your space for maximum efficiency?

Note: the sim accentuates task times so efficient, compact floor layouts are absolutely essential.

Remote

Does your business deliver goods or services throughout the region?

Where are most of your customers located?

Have you chosen a location that will allow you to reach customers as quickly as possible? Note: The sim accentuates travel times so efficient planning is essential.

Key Personnel

Founder

Describe yourself, the entrepreneur. In the real world, your experience is very important. For the sim, you (as a high school student!) aren't expected to have any experience. Your instructor may want you to describe an ideal, fictional background for yourself.

Senior Personnel

Are their other management personnel needed to operate this business?

Are they available for hire?

Is the pay rate they demand low enough to allow you to make money?

Do you need licensed personnel to offer some products or services?

Are they available for hire?

Is the pay rate they demand low enough to allow you to make money?

Other Human Resources

Can you fill remaining lower positions with people with at least some experience in your industry?

Can they be hired at rates that will let you make money?

Concluding Statement

Summarizes key points of the plan and may reiterate request for funding.

Appendices

Include any detailed data or analysis from your market research.

Include details of any key assumptions for your financial projections.