
COMPONENTS OF A BUSINESS PLAN

A complete business plan will include a summary section with a Title Page, Table of Contents, Summary and Business Profile, as well as sections outlining the Marketing, Human Resources Production, and Financial plans.

Your business plan may look different from the examples used in this book. You should emphasize those sections which best reflect the nature of your business.

Business Plan Outline

**Business Profile &
Summary**

Marketing Plan

**Human Resource
Plan**

Production Plan

Financial Plan

Title Page

The title page helps your business plan look professional. Remember that first impressions are very important, especially to readers, such as bankers, who see many, many plans.

As the example on the right shows, include your firm's name, the period the plan covers, the date your plan was prepared as well as a contact person, phone number, and address.

Title Page Example

Business Plan

for 19__ / __ / __

to

Establish and Operate

"S & B Flowers"

a 4,000 M² Cut Flower Greenhouse

Prepared by:

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Table of Contents

The Table of Contents outlines the topics covered by the plan. It allows the reader to jump immediately to those sections which are of most interest.

Remember that people who may read your plan, such as prospective lenders, are busy people. The table of contents is a roadmap of where they can find more detail on each topic.

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Business Profile and Summary

This section should attract the reader's interest, outlining the basics of your business and encouraging him or her to read the remainder of the plan. This section is provided to give them the basics.

As the example shows, this section includes:

- the purpose and concept of the business
- required financing and sources
- business targets and how you intend to realize them.

You will probably find this section easier to prepare after you have completed the rest of the plan.

The summary and profile should be written with the reader and purpose of the plan in mind. A summary to be read by a manager of a credit institution may be different from one prepared for a potential equity investor.

This example, for establishing a new business, uses projected information. For existing firms, information on past sales, incomes and net worth should be included as well as projections.

Business Profile and Summary Example

Purpose of the plan

The plan outlines our proposal to establish and operate a 4,000 square metre cut flower greenhouse operation, producing and selling quality roses, alstroemeria and freesia through the United Flower Growers' (UFG) Auction Market and to retail flower shops and walk-in customers.

Required Financing and Sources

\$850,000 is required to establish and operate the business:

- \$385,000 for buildings and improvements,
- \$50,000 for land
- \$365,000 for equipment,
- \$50,000 as operating capital.

\$500,000 will be invested as equity capital by the owners.

\$350,000 will be required as borrowed capital secured by first mortgage and chattel security as well as assignment of accounts receivable.

Business Activities and Targets

Marketing

- Establish a reputation in the floriculture industry for premium quality cut flowers
- Target Prices: Roses — \$ 0.55 per stem; Freesia — \$ 2.40 per stem; Alstroemeria — \$ 3.00 per bunch
- Expand retail and auction sales by 5% per year.

Production

- Obtain optimal yields through recruiting and training skilled workers, and by using a computerized climate control system, artificial lights, CO₂, and mist.
- Yields: Roses: — 210 stems per m²; Freesia — 28 bunches per m²; Alstroemeria — 36 bunches per m²
- Reduce environmental problems by recycling irrigation water and fertilizer and using biological controls and IPM.

Labour

- Establish a safe working environment through training programs and supervision
- Productive work force with low turnover, through careful selection and screening, training programs, regular performance reviews, and related management activities.

Financial

- Establish a profitable business with a positive net income within two years; finance annual operating expenses from retained earnings within three years.
- Reduce cash flow requirements by financing buildings and land over a 15 year term; pay out mortgage within 8 years.

Projected Income and Net Worth

Item	Year One	Year Two	Year Three
Revenue	201,000	271,000	315,000
Net Income	-10,546	36,691	66,918
Net Worth	459,000	468,000	512,000