**PLANNING A BUSINESS**

WHY WRITE A BUSINESS PLAN?

There are many reasons why a business plan should be prepared. Regardless of the specific reason, the underlying goal of preparing a business plan is to ensure the success of the business. Here are the main reasons why a business plan should be prepared.

1. It provides you with the road map that you need in order to run your business. It allows you to make detours, change directions and alter the pace that you set in starting or running the business.

2. It assists in financing. Whether you are starting up a small business or are an established entrepreneur, banks and other financial institutions want to see that you know where you are, where you are going and how you are going to get there.

3. The plan will tell you how much money you need, when you will need it and how you are going to get it; in other words, how you will do your financing.

4. It helps you clearly think through what type of business you are starting and allows you to consider every aspect of that business before you "take the leap".

5. It raises the questions that you need to have answered in order to succeed in your business.

6. It sets up benchmarks to keep your business under control.

7. It makes you think through the entire business process so that you do not open the business blindly or lack vital information in opening and maintaining your business.

8. It forces you to analyze your competition.

9. It will give you "GO" or "NO GO" answers about starting the business.

The following pages provide a template that will build your business plan as you answer the questions.

**BUSINESS DESCRIPTION**

**Business Name: Phone Number :**

**Mailing Address:**

**City: Prov.: Postal:**

**Email:**

**Contact Person:**

**Business Location:**

* Same as above
* Different (use the following)

**Business Name: Phone Number:**

**Mailing Address: Fax Number:**

**City: Prov.: Postal:**

**Email:**

**Contact Person:**

**Is this an existing business?**

* New
* Existing (Date established):

**Has your business experienced expansion during the past 2 years?**

* Yes
* No

**What is your company Mission Statement?**

**Vision Statement?**

**Form of Business Ownership:**

* Sole Proprietorship
* Partnership
* Corporation (Specify Incorporation date/to be incorporated date):
* Other (specify):

**Do you have a business license? Yes No**

**Type of Operation:**

* Agriculture Transportation
* Aquaculture/Fishing Wholesale/Retail
* Construction Oil & Gas
* Forestry Not – for – profit
* Manufacturing Service Provider
* Mining Other (specify):
* Tourism

**Number of Employees:**

o Existing Full Time: Part Time: Seasonal:

o New Full Time: Part Time: Seasonal:

o Contractors Full Time: Part Time: Seasonal:

**Describe your proposed business idea:**

**Why have you chosen this business idea?**

**STUDYING THE MARKET**

The first thing you need to do when thinking about starting a business is to determine whether you can make a success of it. This means asking tough questions about the potential demand for your products, how much you can charge and whether payback will be sufficient to make it worth your while. This information is provided by a marketing plan.

Although each marketing study is different because each business is different, most seek to answer the following questions:

**What is the market potential for my product or service?**

**Who will my customers be?**

**How many units can I sell?**

**How much can I charge?**

**Who will my suppliers be and how much will they charge?**

**What credit terms are they likely to offer?**

**Who are my competitors and what competitive advantages do I possess?**

**How will I get my goods to market and how expensive will this be?**

**Will this business produce a large enough profit to justify the sacrifices which will be required?**

Armed with the answers to these questions and a properly laid out marketing plan, you will be in a better position to determine the viability of your idea.

Getting the information for such a plan is quite easy. For instance, one possible technique is to interview potential customers or businesses already in the industry. Trade and industry associations can also be helpful since they possess in-depth information about their industries.

Many publications and databases can help you assess the potential of industries and markets.

These plans are dynamic and are only helpful if they change as your business changes. Rather than prepare a marketing plan and file it away in your desk drawer, you should re-examine your plan from time to time in the light of new developments and make the necessary changes. Your marketing plan will then guide and support your efforts on a continual basis.

By answering the questions on the following pages, you will build your marketing plan.

**THE MARKET AND CUSTOMERS**

Identify your market area (local, provincial, national, international, etc.). How big is the total market, i.e. the size of the geographic area; the population? Is the size of your market area expanding, static, or decreasing?

What percentage of the total market do you expect to capture? Cite your sources of information.

**Describe your intended customers/target market.** In most cases, you should not plan to sell to just anyone or to everyone. Identifying a target market will help you develop a much more effective strategy. The aim is to find your best customers and to clearly describe them by their common traits, such as:

* **Demographics:** Age; gender; income; education; nationality; occupation.
* **Lifestyle/Psychographics:** Hobbies/interests, personal values, leisure activities, what they like to buy.
* **Behavior:** What will "trigger" your customers to buy your product or service? What common behavior patterns do your customers share?
* **Scope:** Where do your customers live and work? What is the geographic scope you want to cover?
* **What are your customer's buying habits?** (ie. how much of your product/service will they buy and how often, and is your business seasonal?

# COMPETITION

## **SWOT Competition Analysis**

## **(Strengths, Weaknesses, Opportunities and Threats)**

Analyze each of your competitors and your business using a SWOT Analysis.

You are examining:

* + **Strengths:** If you were a customer of this competitor, what do you feel they do well?
	+ **Weaknesses:** What are their shortcomings? In what ways are they not meeting the needs of the customer? Be specific.
	+ **Opportunities:** Where do you see an opportunity for you to fill a customer need? What is the competition not offering that you could?
	+ **Threats**: What might the competition do to make it difficult for your business? What might happen in the industry (i.e. new legislation etc.)?

**Please go to the next page and fill out your SWOT Competition Analysis template.**

## **Your Business**

|  |  |
| --- | --- |
| **Strengths (internal)** | **Weaknesses (internal)** |
| **Opportunities (external)** | **Threats (external)** |

**Competitor #1**

|  |  |
| --- | --- |
| **Strengths (internal)** | **Weaknesses (internal)** |
| **Opportunities (external)** | **Threats (external)** |

**Competitor #2**

|  |  |
| --- | --- |
| **Strengths (internal)** | **Weaknesses (internal)** |
| **Opportunities (external)** | **Threats (external)** |

**Competitor #3**

|  |  |
| --- | --- |
| **Strengths (internal)** | **Weaknesses (internal)** |
| **Opportunities (external)** | **Threats (external)** |

# PRODUCT OR SERVICE

**Develop a clear, concise description of the product or service that “speaks” to your target market. Include aspects such as:**

* Uniqueness of your product: how do you stand out from your competition?



* What is the “need” that you address or the “problem” that you solve for your customers?



* How do you maintain an advantage over the competition?



* Why will customers seek your product or services? Is your product or service unique or how will it differ from others in the community?



* Are there opportunities for expansion of product or service?

If yes please explain.



**PRICE**

**What price(s) will you charge for your product or service?**

Attach a price sheet if applicable or explain.



**How did you determine this price?** Explain.



**How does your price compare with that of your competitors?**



**How do you know that people will buy?**



**PACKAGING**

## Complete the following questions if applicable.

* **Describe the individual product packaging to be used. Also indicate the source, size, price and payment terms for the supply of the packaging.**



* **Describe the packaging to be used for shipping in quantity, i.e. cardboard cartons, strapping, etc. Also indicate the source, size, price and payment terms for the supply of such packaging.**



* **Are there any special legal requirements for labelling your product?**



**PROMOTION**

Promotion is the element of marketing that describes how you communicate your information to your potential customers. The marketing plan must include details on the approaches you will use to attract your target market. In this section the following should be addressed:

**Which media do you plan to use?**

* Radio Ads
* Magazines
* Website
* TV
* Billboards
* Social Media (list the channels):
* Newspaper
* Tradeshows
* Person to Person Networking

**How do you know it will reach your target customer?**

**How much do you plan to spend on each medium?**

**How frequently do you intend to use each medium?**

**What is your plan for monitoring and feedback (how will you know your promotions are successful?)**

**OWNERSHIP AND MANAGEMENT**

**Who are the owners and key management personnel in your business?**

 Name Ownership % Position Management Function

### Explain the duties and responsibilities of management and key staff.



**Briefly outline the experience and expertise of your management team** with special emphasis on managerial and/or operational experience (Include resumes of the principal owners and key management personnel in your appendix).



**Please provide the names of any professionals** you have or will have dealings with (ie. accountant, lawyer, Insurance agent, etc.):



**How will you manage your record keeping?** Will you be hiring a bookkeeper?



**TECHNICAL**

**Business Location:**

What makes your location suitable for your project? (proximity to markets, suppliers, transportation, labour):



**Are your premises owned or leased?**

o Owned

o Leased

**If leased, please answer the following:**

Landlord’s Name:

Phone Number:

Terms of Lease:

Rent(monthly/annually): $

Expiry Date:

**Do you have a renewal option:**  YES NO

If **no**, what are your plans for the operation when your lease expires?



**Will renovations be required?** YES NO

If **yes**, at what cost: **$ \_\_\_\_\_\_\_**

**If a building is to be constructed or purchased, what will be the total cost: $ \_\_\_\_\_\_\_**

**Set Up:**

What special environmental, municipal or other government permits and approvals may be required and when can a decision be expected on each?

 **Agency or Department: Requirements: Anticipated Decision Date:**

|  |  |  |
| --- | --- | --- |
|  |  |  |
|  |  |  |
|  |  |  |

**Equipment:**

Will any new equipment be required? NO YES (what cost: $\_\_\_\_)