Business Name

(Insert your company logo, if available)

Company’s Address

City, Province, Postal Code

Phone Number

Email Address

Company Web Site

Owner(s) Name(s)

Current Year

**Sample Table of Contents**

1. Executive Summary
2. Business Overview
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7. Financial Plan
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**Executive Summary**

Think of your Executive Summary as the sales pitch that will capture your reader’s attention and convince them to take your plan seriously. The Executive Summary needs to clearly and concisely explain what the business is and why you will succeed in this venture. When you are done writing the Executive Summary, your reader should be able to understand your business model, clearly identify your product(s)/service(s) and customer(s), how you plan to market/promote to your customer(s), and how you plan to make sales.

Although it is at the front of the business plan, this is normally written last to pull everything together.

This section should include the following:

1. State the name of your business and discuss what you sell, produce and/or offer.
2. Clearly explain your target market(s)/customer(s). Who are you selling to and why you chose them as your customer (example: is there a gap in the market, does it fill a need, why is this customer interested in your product/service)?
3. Who are your major competitors and what is your competitive advantage (what sets you apart)?
4. What is the legal structure of the business? (How is your business registered? Master Business Licence or Corporation?) When did you register it?
5. When did your business open/start operating? Give a brief overview of the company history, how it has performed financially to date, and any success that has been achieved (example: sales to date, growth, new hires, expansion, etc.).
6. Who are the owners and briefly summarize their credentials?
7. What have you (and your partners) invested into the business to date? What has the investment been used for? (Do not list all assets or purchases. Please summarize.)
8. If the purpose of the business plan is to present it to a funding body – such as a bank or grant administrator - discuss what financing/funding you need and what the monies will be used for?

Remember, this is a summary of each section. All of these points will be elaborated on, in more detail, throughout the plan.

**Business Overview**

The purpose of this section is to introduce the reader to your business.

**Business Description**

* Tell the reader about how this business came to be. How did your business start and where is it currently?
* Describe when and by whom the business was started and any major changes that have occurred.

**Product/Service Listing and Pricing**

List and describe each product and/or service that you offer through your business. (You can group similar items, such as if you sell a food in various flavours, or a product in various colours/scents)

* Do not assume that the reader understands your product/service. Be sure to explain it in detail including key features and benefits that are provided to customers. It is important to highlight what makes your product or service unique and special in some way.
* For each product/service listed, identify the price(s) associated with each. Identify a minimum amount or range, if necessary.
* This section can be done in a table or bullet format.
* How did you determine your prices?
* How do your prices compare to your competitors? Please explain.
* Have you considered costs of bringing the product or service to market? Explain how your costs are built into your pricing.
* Are you offering any discounts, coupons, rebates, or specials? How will they be used? When and how often will they be offered? (Note: you may find that the answer fits under the Promotions Plan vs. here.)

**Goals**

This section of the plan allows the reader to get an idea of how you plan to grow your business. By having goals for the business, it allows you, the owner, to measure how well your business is doing and helps you stay accountable and organized. When writing objectives and goals, they should be S.M.A.R.T. (Specific, Measurable, Attainable, Realistic, and Time-Bound). It is helpful for you and the reader to list your goals in bullet format.

There are two types of goals:

1. **Short-term goals** (one year or less) should be very specific. You should include 4-5+ short-term goals that focus on how you plan to market your business, attract customers and make sales. Your short-term goals should show how you plan to meet/complete your long-term goals.
2. **Long-term goals** may be more general. You should include 2-3+ long-term goals that focus on how you want your business to grow and fit the vision for your business. They may focus on hiring staff, transitioning to a new location, or selling internationally.

**Human Resources**

The Human Resources section of a business plan identifies who is running the business. In many small businesses, it is a one-person operation. In other businesses, there will be many members of the team.

If you **solely own the business**, then you will simply list yourself, your work experience, education and skill strengths that relate to the business, as well as your key responsibilities. As the sole owner, we understand that you are responsible for all activities related to your business. List 3-5 responsibilities/activities that you are currently focusing on at the time you are writing your plan.

If you are in a **partnership**, you will complete the above for **each partner.** We understand that some responsibilities and activities will overlap, but they all shouldn’t.

**Operations**

The Operations section of this business plan helps readers understand how your business operates day-to-day. It helps to show timelines, processes and production methods that relate to your business.

To get started, think about the following questions:

1. What stage is your business at? What steps have you taken to start your business? What steps still need to be taken? (Quick Tip: Take a look at your goals section - make sure that your goals line up with the steps listed here.)
2. What assets are in place? What is still required to start-up and operate?
(Quick Tip: Make sure that items listed here are also listed in the Financials section.)
3. When did you start producing your product or service? Have you done any test marketing or product testing?
4. What are your hours of operation? (Consider hours open to the public vs. owner’s hours.)
5. If you have staff/employees, how is scheduling determined?
6. Who are your suppliers? Where are they located? Why did you select them? What terms are you purchasing on, and at what costs?
7. What systems have you put in place to track inventory? What quality control measures have you instituted?

**Production/Distribution Process**

Think about the process or steps needed to bring your product/service to market so that a customer can buy it.

Compare a dog walking business to a brewery business - the steps and processes are very different. Here is where you help the reader understand the process that relates to your business. You are welcome to describe your process using steps, bullets or even a diagram/chart.

This section could include the following:

1. How is your product made (or service offered)?
2. Detail the steps to develop/offer each product or service. What are the timelines from start to finish? What factors can affect this? Example: provide a quote, deposit required, custom orders, etc.
3. What raw materials, inventory and supplies do you need? Are there any risks that you foresee and contingency plans in place?
4. How long does it take for a customer to receive the product/service purchased?
5. How do you distribute your product/service to your target markets? Why did you choose them? What channels are your competitors using (physical location, web site/social media, markets, sales reps, etc.)?
6. What are your next steps? (How does the client access the finished product? What are your payment methods? When is payment due? Shipping policies/options?)
7. Do you offer support after the sale is completed (return/exchange policy)? Are there any service guarantees or warranties?

**Location**

List and explain where your business will operate from, and how the location of your business adds to the success of the business. This includes discussing if it is a home-based business, operating from farmer’s markets and trade shows, or any other location where your customer can buy your product/service.

Consider the following when discussing your location:

* Demographics, traffic patterns, competition, proximity to suppliers, competitor locations, parking, public transit, neighbouring businesses, etc.
* Have you researched the zoning related to your location with the City of Hamilton?
	+ If yes, please identify what zoning applies to your address and attach a Zoning Verification in your appendix, if available.
	+ If no, we strongly recommend that **before** buying a property or signing a lease/rental agreement, you visit the **City of Hamilton’s One-Stop: Business Facilitation and Licensing located on the first floor of City Hall**. They will help you identify whether or not you are permitted to operate your business with the current zoning in place for that location. In addition, you can confirm a location’s zoning by requesting a Zoning Verification (fees do apply).
	+ **Email contact:** **licensing@hamilton.ca** **and/or** **building@hamilton.ca** **(Zoning)**

If you plan on moving into a retail/brick and mortar space within the next year, describe the space that your business will need. For example, discuss the preferred size, layout, accessibility, atmosphere, and any other relevant descriptions. What renovations or repairs will be necessary? Can the location accommodate future growth?

**Industry Overview**

The Industry Overview section represents the market research you have done. This section is where you prove your knowledge of the industry and market(s) where your product/service will be sold.

Market research includes both primary and secondary market research that supports the demand/need for your product/service. Remember to source information that is copied from secondary market research.

**Primary market research** can be done by talking directly to people who fit in your target market, as well as through surveys, cold calling, and case studies. **Secondary market research** can be done through online searches, contacting suppliers for statistics, and contacting government services.

It is recommended that you focus on the most important 3-5 points to prove your product/service fills a need or a demand.

Consider the following when completing this section:

1. How large is the industry that your business will compete in?
If you are focusing on Hamilton, describe the local market. If you are selling your product nationally or internationally, give the reader insight into the industry that you will be entering.
2. What business sectors does this industry include? Looks up the NAICs code for more details.
3. What are the barriers when entering in your type of business? How easy is it for new competitors to start up?
4. Identify any cultural, geographical, economic, demographic, and social factors that affect your industry and your sector(s).
5. Are there seasonal factors that affect your business?
6. Describe any trends that affect your industry.
7. What is the long-term outlook related to your business and industry?
8. Are there any industry guidelines that you must follow?
9. Are there any government regulations that affect your business/industry?

**Marketing**

The Marketing section identifies your customer/target market(s), and how you plan to market/promote to your customer identifying clear strategies for making sales. This is a critical section of the business plan that requires a great deal of thought. The marketing plan should detail how you will build company awareness, interest in your product/service, and attain sales. There are several strategic pieces to a good marketing plan.

**Target Market**

Think about who will buy your product/service. If your gut reaction is to say everyone, try again.

When discussing your target market, clearly identify the characteristics that make up your ‘ideal’ customer. Your first step is to tell the reader if you will be selling to the public or to other businesses.

When describing your target market, consider the following:

1. If your target market is consumers, they should be defined by their age, gender, marital status, income level, occupation, education level, ethnicity, geographic location, and buying habits (where do they buy and what motivates them?).
2. If your target market is businesses, they should be defined by their industry, size (sales, employees, etc.), location, and buying habits (what are their buying habits and what affects their decision to buy? This can include how, when and where they purchase, what level of quality is required, and the price they are willing to pay?).
3. What is the size of your target market?
4. Are there any trends impacting your target market?

**Competitors**

A competitor is defined as “one selling or buying goods or services in the same market as another” (Merriam-Webster Dictionary). Your customers have other choices for similar products and services. It is important as a new, or existing, business to research and understand who your competitors are, what they have to offer, as well as be aware of changes within your industry. Don’t be fearful of competitors - they created the path that will allow you to enter into the market. Talk to them, buy them a coffee, and learn from them.

Your business plan should provide the following information about your competition:

1. How many competitors do you have in the market you are targeting?
2. Detail any indirect competitors that you have.
3. How will competitors react to you opening your business? Will they change prices, market more aggressively, launch new products, etc.?
4. How hard is it for new competitors to open? Detail any barriers to entry (high costs, technology, regulations, etc.).
5. Did you find gaps in service, opportunities in the market or potential threats that you weren’t aware of before?
6. Where do you fit in the market?

**Competitive Advantage**

To succeed in business, you need a competitive advantage. This is an area where your business is superior to the competition. It is usually something that a customer wants or needs that your competitors do not offer at this time, or it could be an advantage in your operations.

**Promotions Plan**

There are numerous ways to advertise and promote a business. The key to success is understanding your target market and figuring out the best way to reach that group based on their interests, location and buying habits.

As part of your business plan: Clearly describe 4-5 strategies that will aggressively reach your target market.

Each strategy should be clearly explained as to how it will reach your target market with additional details including timeline, budget, and return on investment. When describing each strategy, consider the following:

1. When will your strategy be implemented? Use dates and timelines to help the reader understand how long this method will be used for, as well as frequency of use.
2. What media will be used (flyers, web site, social media, billboards, print or digital ads, special events, cold calling, etc.)?
3. What is the cost of each?
4. Who will it reach, and how many people will it reach?
5. What are the anticipated results of each activity? What is the return on investment you want from implementing this strategy? (New customers, sales amount, awareness, etc.)
6. Why did you choose each method?

**TIP: Create a diagram or table to show a one-year plan and timeline of when strategies/methods will be implemented including details, as listed above.**

**Financial Plan**

**Funding Required**

Provide a detailed list of all funding that is required to start the business. This funding could include **one-time expenses** like purchasing assets (building, tools, equipment, vehicles, etc.), licensing fees, registration fees, opening inventory, initial advertising costs, etc.

**Cash Flow Statement**

This is a tool to help predict and demonstrate how much money will come in and go out, and how much money will be needed from outside sources to continue funding the business. Your business plan and cash flow spreadsheet should mirror one another regarding the amounts shown, explaining the assumptions made and trends that appear in your cash flow statement.

Consider the following when creating your cash flow:

* Provide a clear, written explanation of 3-5 assumptions you made when creating your cash flow.
* Everything that you said you would do in the business plan should be reflected here. For example, if you say you will have employees, then there should be appropriate wages listed the month when employees start. If you say you are running advertising in September 2021, then there should be corresponding expenses in September, plus results (increased sales) from your advertising in September, October and November.

**Risks and Contingency**

Many business owners do not want to consider risks of starting a business in the hopes that everything will be positive. Among the business owners that do research the risks, few want to share them with potential lenders or investors in the business for fear that a lender may reject them.

Lenders and investors know there are risks in every industry and with every start-up. By outlining the risks that relate to you and your business, it demonstrates that you are prepared to face potential challenges.

Examples of risks:

1. Changes in demand for your product or service
2. Loss of key suppliers
3. Loss of key employees / management team
4. Increased competition
5. Bad publicity
6. Cash flow issues (bad debts)
7. Regulatory issues
8. Risks common in your industry
9. External risks such as a pandemic

Clearly identify 3-5 risks and discuss your contingency plan for each.

Please Note: Do not explain how you and your business are void of risks. Take the time to show that you have researched each relevant risk and have a practical contingency in place for each.

**Appendices**

Include any supporting documents that back up claims made in your plan.

* Owner’s resume(s)
* Certificates supporting your qualifications
* Business Registration / Articles of Incorporation
* Copy of municipal and/or provincial licenses
* Purchase orders from clients
* Market research summaries
* Insurance policy or quote
* Photos of products
* Promotional materials
* Drawings / photos of location
* Lease agreements
* Testimonials
* References
* Letters of intent from suppliers
* Intellectual Property Documents (trademark, patent, etc.)