

Interactive Business Planner Workbook

Service-Type Business Plan



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The following booklet is compiled from the questions taken directly from the Interactive Business Planner developed by the Canada Business Service Center. The website is www.cbsc.org/ibp

The purpose of this booklet is to assist potential entrepreneurs with a business plan in cases where they don't have convenient access to a computer and can prepare their work before going to a library or a friends house to access the web site. In some cases, Community Futures Heartland staff may be able to type out the answers from this booklet, to further assist some clients.

Are you ready to start your business plan?

The IBP is structured into 11 sections and each section has a number of topics, corresponding to the parts of a business plan. For each topic, we have developed a question that we want you to answer in the box or boxes provided. Remember that your words will be printed out in your business plan, so use sentences.

We have put the sections and topics in the order we feel will be easiest for you to complete. Starting with this Business Overview section, you can complete your plan by simply using the Next button to go from screen to screen. However, feel free to complete the sections and topics in any order you want. To jump around within the IBP, you can use the Map button to select any topic within any section to work on. You do not have to complete each topic; if you have not completed a topic, it will simply be left out when you print your business plan.

The purpose of this section, the Business Overview, is to introduce the reader to your business. In this section, we will ask you to provide the history of your business, develop a vision and mission statement, define your business objectives, and describe the ownership, location and facilities of your business.

Business History

Instructions:

Readers will first want to know about the history of your business. If you have an existing business, briefly describe when and by whom the business was started and any major changes that have occurred in the business. If this is a new business, highlight some of the reasons why you would like to start this specific business.

Sample Answer:

Business Success is a management consulting business that is scheduled to begin operations on March 1, 2000. Business Success will be a sole proprietorship, owned by Mark B. Assets. Mark B. Assets left the large consulting firm of Smith and Smith to specialize in consulting to small and medium sized businesses. Large consulting firms such as Smith and Smith typically target larger businesses and government contracts creating an opportunity for Business Success to provide small and medium sized businesses with affordable consulting services.

Your Plan (Maximum 350 to 400 words):

Vision and Mission Statement

Instructions:

It is important to have a long-term vision of what you want your business to become. Some businesses use their [vision and mission statement](#) to highlight their business strategies and philosophies or to show the importance that their business places on developing good relationships with customers and employees.

Sample Answer:

Our mission is to become a leader in small business consulting by providing our clients with business services that help them become more successful.

Your Plan (Maximum 350 to 400 words):

Objectives

Instructions:

It is also important to have [objectives](#) so that you can measure how well your business is doing in the short- term. You can set objectives for desired market position (for example, we want to be the largest repair shop in town), sales (we want sales to increase by 25% over the next twelve months), profitability (we want to improve profitability by 5% in 1997), or any other issue which is important to your business. Your objectives should be simple factual statements that are measurable.

Sample Answer:

Our primary objectives over the next year are to:

- **Obtain a bank loan of \$30,000 to cover the start up costs and initial operating costs for Business Success Consulting.**
- **Generate one new client contract a month by networking with key industry leaders and local lending institutions, conducting seminars and workshops for small and medium sized businesses, and joining key business and industry associations.**
- **Generate a net profit of \$12,000 in the first year by developing a strong client base and keeping overhead costs to a minimum.**
- **Develop and conduct eight business seminars and four business workshops that meet the needs of the local business community.**

Your Plan (Maximum 350 to 400 words):

Ownership

Instructions:

Is your business a sole [proprietorship](#), [partnership](#), or [corporation](#)? What is the legal name of your business and who are the principal owners?

Sample Answer:

Business Success is a sole proprietorship, owned by Mark B. Assets. As the business expands, strategic alliances may be formed with other companies.

Your Plan (Maximum 350 to 400 words):

Location and Facilities

Instructions:

Discuss where your business is located and what facilities you have. You may wish to include the company address and a description of your site, the size of your facility, your equipment, and your lease arrangements. In addition, explain how the location of your business adds to the success of the business.

Sample Answer:

To keep our overhead costs low, Business Success Consulting will be located in the home of Mark B. Assets. The home, located at 1875 Wilson Street in North Creek, is equipped with a computer, fax machine and photocopier. Secretarial service will be contracted out as required to TempServ company in North Creek. Where possible, all meetings and presentations will be held at the client's location. If this is not feasible, the company has arranged to rent the boardroom of a local law firm as required. Presentation equipment such as overhead projectors and liquid crystal display (LCD) units will be rented from North Creek Community College.

Any sub-contractors hired for specific projects will not work in our office but will work from their own offices. This will greatly reduce our overhead costs allowing us to price our services competitively. As Business Success Consulting grows, consideration will be given to acquiring office space.

Your Plan (Maximum 350 to 400 words):

PRODUCTS AND SERVICES

The purpose of this section is to introduce the reader to the products and services you will be selling. In this section we will ask you to:

- provide a description of your products and services and their key features;
- describe your production process and any comparative advantages you may have; and
- highlight any future plans you have to upgrade existing products or introduce new products and/or services.

Description of Products and Services

Instructions:

Briefly describe the products and/or services that your business will be selling.

Sample Answer:

The primary types of services we will provide include market feasibility studies, business plans, re-engineering strategies, organizational reviews, strategic planning, seminars and workshops.

Our services include the development of:

- **Market Feasibility Studies** We develop market feasibility studies for businesses that want to market new products or technologies. Some of these companies are looking for government funding to commercialize the technology or product. Our market feasibility studies include a full assessment of potential markets, competitive analysis, and the financial viability of commercializing the product.
- **Business Plans** We will develop full business plans for start up and existing businesses requiring financing, introducing new products, entering new markets, and restructuring.
- **Other Services** Our other services will include operational reviews, strategic planning, and development of corporate re- engineering strategies.
- **Seminars and Workshops**

We will offer seminars to small and medium sized businesses. The seminars will focus on key management issues for small and medium sized operators such as market analysis, product commercialization, how to write a business plan, marketing strategies, customer service etc. Attendance will vary but should average 20 to 30 people each.

The workshops will be developed to help small and medium sized businesses write business plans. This service is currently unavailable in the area. Workshops will be held

in the evenings and on weekends making it easier for busy operators to attend.

Your Plan (Maximum 350 to 400 words):

Key Features of the Products and Services

Instructions:

Why will customers buy your products and/or services instead of another company's? Explain what makes your products and/or services unique in the marketplace and how they will differ from those of your competitors.

Sample Answer:

Business Success Consulting will specialize in small and medium sized firms. While other consulting firms in the region offer small and medium sized businesses consulting services, none specialize in this area. With today's unpredictable political and economic environments, it is increasingly difficult for entrepreneurs to successfully start new businesses and for existing small and medium sized businesses to remain profitable. Our services will differ from our competitors in that Business Success Consulting will offer creative, innovative, and effective solutions to business problems. Too many consulting firms try to develop standard models to solve key business problems. Business Success realizes that business problems have a variety of solutions; what may be right for one business would not necessarily meet the needs of another business.

Production of Products and Services

Instructions:

Describe how your products and/or services will be produced. You may wish to highlight the resources used (both human resources and materials) and the process involved in the production of your products and services.

Sample Answer:

Initially subcontractors will be hired as needed to work on specific projects. Subcontractors will be hired based on their area of expertise and experience. Due to office space limitations, sub contractors will work out of their own offices and will be linked directly to our office via e-mail and the Internet. Within the next three years, full time consulting and administrative staff will be hired.

While all reports will be produced and edited by Mark B. Assets, the physical reports will be formatted, printed and bound by TempServ, a local secretarial agency in North Creek. Should the company take on any other full time employees, consideration will be given to leasing office space in the North Creek area.

Your Plan (Maximum 350 to 400 words):

Future Products and Services

Instructions:

Do you have any plans to update existing products or to offer new products and/or services in the next three to five years? If yes, provide a brief description of what you plan to do.

Sample Answer:

We will continually expand our services based on industry trends and changing client needs. We will also get feedback from clients and seminar attendees on what is needed for future seminars and workshops.

Your Plan (Maximum 350 to 400 words):

Comparative Advantages in Production

Instructions:

Is there anything about your production capabilities that may give you an advantage over your competition? For example, do you have specialized skills, new technology, access to cheaper materials, or low overhead costs? If nothing comes to mind, leave this question blank.

Sample Answer:

Our comparative advantages in production are our low overhead and labour costs. Business Success does not have to pay for under utilized staff or facilities. We also have an advantage in that we can pick the most qualified sub- contractors for each project. The sub-contractors will be picked based on their expertise. This allows us to draw from a

larger labour pool and skill set. Sub-contractors will be hired as needed which means that during down times our firm is not over staffed.

INDUSTRY OVERVIEW

In order for readers to understand your business plan, they need to understand your [industry](#). The purpose of this section is to describe the industry that your business will be operating in. In this section we will ask you to discuss:

- the overall size of your industry;
- key product and market segments;
- customer buying criteria and processes;
- the types of businesses in the industry;
- key industry trends; and
- the outlook for your industry.

Market Research

Instructions:

When writing a business plan, it is important to have a good understanding of the industry in which you will operate. Discuss what research you did to write your business plan. For example, have you surveyed current and potential customers, reviewed research reports and statistics prepared by others, read magazine and newspaper articles, or spoken to people particularly knowledgeable about the industry?

Sample Answer:

To fully understand the market we are targeting we talked to local business leaders, the Small Business Association, the Chamber of Commerce, the local economic development

office, and all small business lending departments at the local banks. In addition, we read local newspaper and journal articles, and collected industry statistics from Statistics Canada.

Your Plan (Maximum 350 to 400 words):

Size of the Industry

Instructions:

How big is the industry your business will operate in? Size can be defined in many ways including sales, the number of units sold, number of producers, and/or total employment. Be sure to highlight any statistics you have on how fast the industry is growing and discuss the size of the industry in the particular area that will be served by your business.

Sample Answer:

There are 500 consulting businesses in British Columbia; there are 34 consulting firms in the North Creek area alone. While there is some overlap in the types of services provided, most firms have developed their own market niches. Firms tend to become well known and recognized for their skills in a specific area such as organizational re-engineering, marketing, training, employee benefits, government program evaluation, or in a specific industry such as forestry, hospitality, health care, information technology, or communications.

Key Product Segments

Instructions:

Industries can be divided into a number of [product segments](#). For example, product segments within the automobile industry includes cars, trucks, vans, and recreational vehicles. Divide your industry into key product segments, highlighting the size and characteristics of the segments your business will compete in.

Sample Answer:

Consulting is a very diverse industry. There are hundreds of different services that consultants provide to all industries and industry sectors.

Your Plan (Maximum 350 to 400 words):

Key Market Segments

Instructions:

Industries can also be divided by [market segments](#). Who do the businesses within your industry sell products and/or services to? Divide the market into customer groups, highlighting the size and characteristics of those groups. For example, markets can be grouped by type of customer, geography, or other characteristics. Segment the markets on

the basis that makes the most sense for your business.

Sample Answer:

Key market segments vary by consulting specialty. The key markets for consulting services are corporations, municipal, regional, provincial and federal governments, crown corporations, and institutions such as hospitals and educational facilities. The total size of these markets is unknown because they are continually changing and there are no provincial or federal tracking mechanisms in place to accurately determine how much these market segments spend on consulting services annually.

Purchase Process and Buying Criteria

Instructions:

It is important to know how and why customers purchase products like yours. For example, how important are price, quality, warranties and/or service support important in customer buying decisions? Briefly discuss how the [purchase process](#) and [buying criteria](#) may vary by each of the market segments or product segments.

Sample Answer:

The buying process for consulting services varies by type of client and by type of service. Businesses find and choose consulting firms using several methods.

1. Referral

Businesses find consultants through their lending institutions, business or industry associations, friends or colleagues, and the yellow pages. Businesses contact these consulting firms to obtain proposals and price quotes for the required services. A consulting firm is chosen based on the needs of the client such as price, quality of proposal, as well as the reputation, past experience and level of expertise of the consulting firm.

2. Request for Proposal

Government and other businesses requiring consulting services sometimes distribute a "Request for Proposal" to a number of consulting firms for specific projects. These consulting firms submit proposals for the projects they wish to bid on by outlining the scope of the work, the methodology, a work plan and price quote. These proposals are evaluated based on a predetermined set of criteria developed by the client. The proposal evaluation criteria varies by project and by client but usually includes price, quality of proposal, and the reputation, past experience and level of expertise of the consulting firm.

3. Open Bidding System (OBS)

The OBS is an opening bidding system for government contracts. Anyone can access this service and submit a proposal for any contract they feel qualified to bid on.

Business plan services are usually purchased by start up businesses or by small and medium sized businesses requiring financing, commercializing a new product, or entering new markets. These businesses seek business planning assistance from their lending institutions, industry and business associations, or directly from consulting firms.

Description of Industry Participants

Instructions:

Describe, in general terms, the types of businesses that compete in your industry. For example, where are they located, how broad are their product and service lines, how large are they, and how do they distribute their products?

Sample Answer:

Consulting firms are divided into large firms with more than 100 employees, medium sized firms with 20 to 100 employees and small firms with less than 20 employees. The

majority (66%) of consultants in Canada are employed at large firms, 6% and medium sized firms and 28% at small firms according to a recent Industry Canada report. The large consulting firms are usually U.S. based firms and include Cap Gemini - Ernest & Young, Deloitte & Touche, IBM Global Services, and KPMG. Small firms typically have less than 10 employees.

Key Industry Trends

Instructions:

The only thing that is constant in business is change. What are the key trends in your industry? These trends could include changes in technology, products, markets, regulations, or economic conditions. What trends will affect the supply of, or demand for, your products/services? Highlight the factors and trends that could have the largest impact on your business.

Sample Answer:

The consulting industry is growing for two key reasons. One is that demand for consulting services is increasing as companies downsize and contract out work that was historically done in-house. Corporate downsizing has also resulted in many managers being laid off. It is difficult for many of these people to find similar employment and as a result, many of these managers start their own businesses. Approximately 10% become consultants, many providing consulting services to the firms they just left. Those who start other types of businesses may require specialized consulting services to improve their chances of success. Therefore corporate downsizing has resulted in an increase both in the supply of, and demand for, consulting services. The number of business starts in North Creek has risen 10% annually over the last several years. Approximately 100 new businesses will be started in the area in 2000. This trend is projected to continue for at least another 5 years.

Your Plan (Maximum 350 to 400 words):

Industry Outlook

Instructions:

For your industry, discuss what types of products have the greatest opportunities for growth over the next three to five years and why? What products or product groups are expected to see a decline in sales?

Sample Answer:

With the continued economic and political uncertainty in this province, the demand for consulting services will grow as many companies are reluctant to hire additional employees. More and more work will be contracted out to outside consultants as companies maintain tight control over labour costs. This trend is also true in the government sector which is under increasing pressure to reduce costs by reducing their employment levels.

While the number of business starts has increased so have the number of bankruptcies. Approximately seven out of 10 new businesses will fail within the first two years of operation, primarily due to poor management. Some people who start new businesses lack basic business skills. The demand for small business training and assistance will grow as these entrepreneurs seek the assistance they require in order to reduce their risk of business failure.

Your Plan (Maximum 350 to 400 words):

MARKETING STRATEGY

Now that readers understand your industry, they will want to know how your business will fit in. In this section we will ask you to describe your [marketing strategy](#). In particular, we will ask you to:

- define your target markets;
- describe your competitors and your competitive position; and
- outline your pricing, promotional and distribution strategies.

Target Markets

Instructions:

In the last section you described the key market segments within your industry. Which of these customer groups or market segments will your business specifically target? You can define your [target markets](#) both by type of customer and by geographic region. Explain how your target markets may change during the term of the business plan.

Sample Answer:

Our target markets will be small and medium sized new and existing businesses in the surrounding region. We will also submit proposals in response to any Request for Proposals we receive as well as for any relevant provincial and federal government contracts.

Your Plan (Maximum 350 to 400 words):

Description of Key Competitors

Instructions:

There will be other businesses or competitors who are also competing for these target markets. List your key competitors and provide a brief description of their businesses in terms of location, products and services, marketing strategies, and market position.

Sample Answer:

There are a total of 34 consulting firms in North Creek, British Columbia. Only 14 of these consulting firms offer services similar to Business Success Consulting. The other 20 consulting firms in the region specialize in other areas of consulting such as employee benefits, training, marketing, information technology, health care or forestry.

There are four large consulting firms (more than 30 employees) that offer consulting services to small and medium sized businesses. However, these large firms cannot cost effectively service this market due to high overhead and labour costs. Small and medium sized businesses usually cannot afford the high hourly fees charged by these firms. Business from this target market does not represent a significant portion of the revenues generated by these four large firms which all specialize in other areas of consulting.

There are 10 smaller consulting firms (less than five employees) that offer consulting services similar to Business Success Consulting. However, none of these firms specializes in consulting to small and medium sized businesses. All 10 firms offer a wide range of consulting services. The majority (70%) of these firms are operated by people who have been laid off from large firms and who have limited consulting experience and qualifications.

Your Plan (Maximum 350 to 400 words):

Analysis of Competitive Position

Instructions:

Now we want to compare your business to your competitors. In what ways you will have an advantage over your competitors and in what ways will you be at a competitive disadvantage? In which markets will you have the greatest competitive advantage?

Sample Answer:

Business Success Consulting will be the only consulting firm in the region specializing in providing consulting services to small and medium sized businesses. Business Success Consulting has a competitive advantage in this area due to the excellent consulting experience of Mark B. Assets. Mr. Assets is a Certified Management Consultant with 15 years consulting experience, including 10 years focussing on small business consulting.

However, as a new business, it may take time to establish a strong client base and develop a reputation as a small business specialist. Mr. Assets already has an excellent reputation in this area and Smith and Smith, his former employer, will redirect any of this type of business to Mr. Assets' new firm.

Your Plan (Maximum 350 to 400 words):

Pricing Strategy

Instructions:

Briefly discuss how you will price your products and services. How will the [pricing](#) of your products and services compare to that of your competitors? For example, will you follow a penetration pricing policy (where you offer low prices in order to generate higher sales volumes)?

Sample Answer:

Business Success Consulting services will be priced competitively with other small

consulting firms. Typically the fees charged by small firms are much lower than those charged by the large firms due to lower overhead costs. Our fees will be based on several factors including the time and resources needed to complete a project, overhead costs, and the fees charged by other competitive consulting firms. Our hourly rates average \$90.00 per hour compared to \$180.00 per hour for the large consulting firms. Our hourly fees will remain the same for all projects. However, total project costs will vary depending on the time needed to complete the project as well as the direct expenses incurred as part of the project.

Promotion Strategy

Instructions:

Having a good product and/or service is no guarantee of success. You have to make potential customers aware of your products and tell them how and where they can buy them. Describe how you will create awareness of your products and services. Highlight the types of [promotional activities](#) you will undertake such as media advertising, trade shows, direct mail, sales calls and any other means of promotion that you will use to reach your target markets.

Sample Answer:

Business Success Consulting will market its services by placing an ad in the yellow pages, listing with all local business and industry associations, developing a brochure to be distributed to lending institutions and clients, becoming an active member of a number of business and consulting associations, networking with the local business community, and developing small business workshops and seminars.

1. Workshops/Seminars Our seminars and workshops will be used to promote our other consulting services. Attendees will be able to pick up our corporate brochure and ask any questions regarding the services we provide.

2. Corporate brochure We will develop a corporate brochure outlining our services and fee structure. The brochure will also highlight our past experience and level of expertise. The brochures will be distributed at our workshops and seminars, distributed to lending institutions, associations, key business leaders, and to potential clients.

3. Advertising Business Success will not do much advertising except for placing an ad in the local yellow pages. Within the next three years, we may develop our own Internet site highlighting our expertise and services.

4. Networking Business Success will join local business associations in order to maintain contacts in the business community as well as to stay well informed about the issues that are important to local businesses.

Distribution Strategy

Instructions:

How will you [distribute](#) your products and/or services to your target markets? Discuss where your customers will be able to buy your product and/or service, and how you will provide customer service and after sales support.

Sample Answer:

Distribution is not an issue for consulting firms. Reports will be couriered, e-mailed, faxed or mailed directly to customer depending on the terms set out in the contract.

Your Plan (Maximum 350 to 400 words):

MANAGEMENT AND STAFFING

Management and staffing is a very important section of a business plan. Many investors say that they invest in people, not in businesses. Readers will want to know that your management team and staff have the necessary expertise and experience to be able to implement the business plan.

In this section we will ask you to:

- describe the structure of your organization;
- summarize the expertise and experience of your management team; and
- identify your staffing needs and any labour market issues.

Organizational Structure

Instructions:

Describe the management and staffing structure of your business. Discuss how many employees you currently have and how many you expect to have over the next three years. What are the key positions within your business and what are the reporting relationships between those positions?

Sample Answer:

Business Success is a sole proprietorship that will be run and managed by the owner, Mark B. Assets. All administrative and accounting duties will be contracted out. Any additional staff required will be obtained on a subcontract basis.

Your Plan (Maximum 350 to 400 words):

Management Team

Instructions:

Who are the key people on your management team? List and give a brief description of each member of your management team including their position, key functions, and relevant experience. Attach resumes for each member of the management team to the end of the business plan. Discuss the strengths and weaknesses of the management team (including any positions which are not currently filled) and how these weaknesses will be dealt with.

Sample Answer:

Mark B. Assets is a Certified Management Consultant and a member of the Institute of Management Consultants of British Columbia. He has a commerce degree from the University of Brigham and a Masters in Business from the University of South Seymour. Mark B. Assets has been a consultant for 15 years with Smith and Smith, specializing in small and medium sized businesses and government clients. This meant the elimination of their small business division. Mark B. Assets decided to continue to provide specialized consulting services to small and medium sized businesses. Mark B. Asset's resume is attached at the end of this business plan

Your Plan (Maximum 350 to 400 words):

Staffing

Instructions:

Discuss how you will fill the key non-management jobs within your business. Highlight the qualifications and level of experience you will require, the wage rates and benefits you will pay, and what training you will provide.

Sample Answer:

No full time staff will be hired at Business Success Consulting for at least three years. Any additional staff required to complete client contracts will be hired on a subcontract

basis in order to keep labour costs low.

Your Plan (Maximum 350 to 400 words):

Labour Market Issues

Instructions:

Discuss any factors that could affect your ability to find, hire and keep employees.

Sample Answer:

There is no shortage of qualified consultants in the area who work on a subcontract basis for a number of consulting firms. However, timing can be a problem in that it may be difficult to find consultants with a specific type of expertise who have time available when needed.

Your Plan (Maximum 350 to 400 words):

REGULATORY ISSUES

Any business is affected by regulatory issues. In this section, we will ask you to identify any:

- patents;
- copyrights;
- trademarks;
- licenses;
- permit requirements; or
- other regulatory issues affecting your business.

Intellectual Property Protection

Instructions:

Will your products, services or processes be protected by [patents](#), [copyrights](#), and [trademarks](#)? If so, please describe what is covered. If no, leave this section blank.

Sample Answer:

Business Success will have their seminar and workshop materials protected by copyrights.

Your Plan (Maximum 350 to 400 words):

Regulatory Issues

Instructions:

What other regulatory issues could directly affect your operations? For example, are you in a regulated industry? Will your business require licenses and permits? What steps are you taking to address these issues?

Sample Answer:

The only licences required to operate a consulting firm is a business licence. The consulting industry is not regulated; however the Institute of Management Consultants of British Columbia is working towards developing minimum industry standards.

RISKS

Some people think that you should not discuss risks in your business plan. However, readers will want to know that you have thought about what could go wrong and that you have taken steps to protect your business. In this section, we will ask you to identify any risks that could affect the success of your business and discuss how you would overcome them.

Market Risks

Instructions:

Are there any events that could affect your customers' need or demand for your products and/or services during the term of the business plan? If yes, discuss how likely it is that these events will occur and what steps you will take to limit the impact should these events occur.

Sample Answer:

Due to the limited barriers to entry and the downsizing of many large corporations there are an increasing number of people offering consulting services. Increased competition for small business clients and the potential entry of large firms into small business consulting in North Creek poses some degree of market risk. To develop and maintain a reasonable market share we will give our clients expert and timely consulting services at competitive prices. Our long term goal is to expand our operations so that we become the leading small business consulting firm in the region.

Other Risks

Instructions:

Discuss any [other risks](#) that could affect the success of your business and how you will overcome them.

Sample Answer:

There are several other risks that could affect our operations including cyclical cash flow problems and liability issues. Consulting firms can experience cash flow problems because the industry is project driven. Projects can last for several months and clients can take 30 to 60 days after completion of their projects to pay the consulting invoice. To avoid this situation, our firm will ask for 40% of the project price at the beginning of a project, an additional 50% half way through the project and the remainder upon completion of the project. The majority of Business Success Consulting contracts will average four weeks or less, reducing the risk of cyclical cash flow problems.

The other major risk facing consulting firms is professional liability or the risk of being sued by a client. Consultants can be sued both for breach of contract and tort liability. Breach of contract means that a client sues a consultant because they feel that the consultant has failed to perform services described in their contract in a reasonable manner. Consultants can also be sued for negligence. Business Success has Professional Liability Insurance as protection in the event of a lawsuit. Business Success will also operate in a professional manner, minimizing the risk of a lawsuit.

IMPLEMENTATION PLAN

In your business plan you have identified a series of things that you are going to do. It is useful to the reader to summarize these, and to identify who will do them and when they will be done.

Implementation Activities and Dates

Instructions:

When will the key activities and initiatives in your business plan be implemented and who will be responsible for their implementation?

Sample Answer:

Within the next several months Business Success Consulting will undertake the following activities:

1. Mark B. Assets is in the process of obtaining a bank loan for \$10,000 to start up Business Success.

be developed.

3. A corporate brochure will be developed within the first two weeks to be distributed to potential clients and local business leaders and resources

EXECUTIVE SUMMARY

The Executive Summary can be the most important section of your business plan because people will read it first and it may be the only section they read. Although it will be printed out first, the Executive Summary should be done last after you have completed the other sections. The keys to a good Executive Summary are that:

- it should be short (2 pages at most);
- it should highlight what is important in your plan; and
- it should get the reader excited about your business.

Business Description

Instructions:

Briefly describe your business and highlight the key features of your products and services.

Sample Answer:

Business Success Consulting is a new business located in North Creek, British Columbia, specializing in consulting services for small and medium sized businesses. Primary services will include market feasibility studies, business plans, operational reviews, re-engineering, strategic planning, seminars and workshops. Our mission is to provide our clients with business services that help them become more successful and to become a leader in consulting to small and medium sized businesses.

To keep our overhead costs low, Business Success Consulting will be located in the home of Mark B. Assets. The home is equipped with a computer, fax machine and photocopier.

Your Plan (Maximum 350 to 400 words):

Key Initiatives and Objectives

Instructions:

Highlight the key initiatives and objectives that are outlined in your business plan.

Sample Answer:

Business Success Consulting is currently in the process of obtaining a bank loan for \$30,000 to finance the start up of the business. Our key objective during the first 12 months of operation is to develop a profitable consulting business. To do this, a strong client base will be developed through networking with local business leaders and business associations, affiliating with small business loan divisions of the local banks, and holding seminars and workshops. During the first four months of operations eight small business seminars and four small business workshops will be developed.

Your Plan (Maximum 350 to 400 words):

Marketing Opportunities

Instructions:

Provide an overview of the marketing opportunities for your business.

Sample Answer:

Due to high overhead costs Smith and Smith recently restructured to focus more on large corporate and government clients. This meant the elimination of their small business division. Large consulting firms such as Smith and Smith typically target larger businesses and government contracts; thus creating an opportunity for smaller consulting firms such as Business Success Consulting to provide small and medium sized businesses with affordable consulting services.

There are currently no other firms that specialize in this type of consulting located within the region. Mark B. Assets left Smith and Smith to continue to provide small and medium sized businesses with much needed affordable consulting services.

Your Plan (Maximum 350 to 400 words):

Competitive Advantages

Instructions:

Summarize the main competitive advantages of your business.

Sample Answer:

The key competitive advantages of Business Success Consulting are the small business experience and expertise of Mark B. Assets as well as the business's relatively low overhead costs compared to competitive consulting firms. Mark B. Assets is a Certified Management Consultant with extensive consulting experience for small and medium sized businesses.

Overhead costs are comparatively low because Business Success Consulting will be based at the home of Mark B. Assets and labour costs will be low as there are no other full time employees.

Your Plan (Maximum 350 to 400 words):

Marketing Strategy

Instructions:

Briefly describe the key components of your marketing strategy.

Sample Answer:

Our target markets will be small and medium sized new and existing businesses in the surrounding region. Business Success will market its services by placing an ad in the yellow pages, listing with all local business and industry associations, developing a brochure to be distributed to lending institutions and clients, becoming an active member of a number of business and consulting associations, networking with the local business community, and developing workshops and seminars for small businesses. Our seminars and workshops will be used to promote our other consulting services. Attendees will be able to pick up our corporate brochure and ask any questions regarding the services we provide. The corporate brochure will outline Business Success Consulting's services and fee structure. The brochure will also highlight the past experience and level of expertise of Mark B. Assets. The brochures will be distributed at our workshops and seminars, to lending institutions, associations, key business leaders, and to potential clients.

Business Success Consulting will not do much advertising except for placing an ad in the local yellow pages. Within the next three years, Business Success Consulting may develop an Internet site highlighting key services, level of expertise and fee structure. Mark B. Assets will join local business associations to maintain contacts in the business community as well as to stay well informed about the business issues that are important to local businesses.

Your Plan (Maximum 350 to 400 words):

At this point, the financial projections haven't been made, so please omit this next question for now and return to it after completing the projections

Summary of Financial Projections

Instructions:

Summarize the highlights of your financial plan such as your projected revenues and net income.

Sample Answer:

The revenue of Business Success Consulting are projected to increase from \$121,770 in 2001 to \$181,170 by 2003. Revenues will see strong growth of 22% annually as the business grows and expands. The Cost of Sales are 55% including total wages (including subcontractors) at 45% and goods and materials at 10%. The Net Income is projected to increase from \$12,330 in 1998 to \$17,279 in 2000. Corporate profits will be taxed at the corporate rate of 22.8% while Mark B. Assets' wages of \$40,000 per year will be taxed at prevailing personal tax rates.

CONFIDENTIALITY AND RECOGNITION OF RISKS

You may want to include a confidentiality clause asking readers not to discuss your business plan with others and a recognition of risk clause warning readers as to the uncertain nature of financial projections. These statements would be printed after the Executive Summary and before the main body of the report.

Instructions:

What, if any, clause do you want to include in your business plan to request that readers maintain confidentiality? If you do not wish to include such a clause, leave this question blank.

Sample Answer:

The information included in this business plan is strictly confidential and is supplied on the understanding that it will not be disclosed to third parties without the written consent of Mark B. Assets.

Recognition of Risk

Instructions:

What, if any, clause do you want to include in your business plan to notify readers as to the uncertain nature of financial projections. If you do not wish to include such a clause, leave this question blank.

Sample Answer:

The business plan represents our best estimate of the future of Business Success Consulting. It should be recognized that not all of major risks can be predicted or avoided and few business plans are free of errors of omission or commission. Therefore, investors should be aware that this business has inherent risks that should be evaluated prior to any investment.
