



**Business Plan Template Guide**  
**[www.cfmanitoba.ca/parkland](http://www.cfmanitoba.ca/parkland)**  
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**Disclaimer: The content in this document and the information requested here is general yet contains enough information for most loan application procedures. Because of different lending requirements of each Community Futures office or financial institution, we advise contacting your local lender of choice for specific business plan requirements.**

## Review Before You Begin

Welcome to the business plan template guide. This guide will provide you with a breakdown of a business plan and ideas of what content to include in each section. Remember, there are no right or wrong answers.

### **Why should I complete a business plan?**

- It will enable you to organize your idea in a professional format that you can use to confidently communicate your business idea to potential lenders, investors, and advisors.
- It will help to evaluate each area of your business, developing a thorough understanding of its operations, marketing and sales, potential risks/threats, and how your business will make money and stay competitive.
- It will be easier for you to answer questions from lenders, investors, and advisors.
- It will provide you with a future roadmap for business growth, targets, and ideas.

### **How do I use this guide and the business plan template?**

- This guide will help to generate ideas, thoughts, and content for each section of the business plan.
- We have accompanied this guide with a business plan template. The template is a workable copy that contains headings and blank areas to type in your own answers and customize it as you see fit.
- You may decide to create your own template which works too! You do not necessarily have to use our template. It is meant to provide a foundation to get started and to make it your own.
- The business plan template has been created as a first step for business in any sector, as such, some of the material may not apply directly to your business idea. It is intended to present the widest possible scope, so that it fits most businesses in majority of industries. You can add to and/or omit sections that may or may not apply to your specific business.
- The business plan template is designed for seeking financing from lenders or investors. If you are presenting to suppliers for example, you may want to omit sections containing personal financial information.
- There is no set length to your business plan or the answers you provide. The length of business plans vary depending on the complexity of the business.
- The final plan should be free of grammatical errors, typos and spelling mistakes.
- Feel free to change the font or add visual aids including tables, graphs, or flow charts specific to your ideas.
- Once you have provided answers for each section and completed your financial spreadsheets, make sure to update the table of contents. To do this, click anywhere on the table, click update table, select update entire table, then click ok. This will make sure your table is up to date with any changes you made to titles or page numbers within the business plan template.

### **What about financial spreadsheets?**

- It is important to understand your current financials and forecasted (future) financials for the business.
- Lenders, investors, and advisors will request this information to better understand your business.
- The financial spreadsheets will help determine how your business makes money, estimated sales, estimated expenses, estimated cash available for business activities, as well as your capital/equity situation.
- The spreadsheets noted in the table below are recommended for your business plan. You can add them into “Section 8: Financial Statements” or they can be added to “Appendices” depending on chosen format.

Annual Marketing Budget	Sales Forecast Spreadsheet	Startup Expenses Spreadsheet
Personal Balance Sheet	12 Month Profit & Loss	3 Year Profit & Loss
Cash flow Projections	Projected Balance Sheet	Break Even Calculator

- Feel free to use your own financial spreadsheets or tables to display the information listed above.
- Community Futures Parkland can provide financial spreadsheet templates upon request. Within our spreadsheets, information entry is only required in white cells. Gray areas contain locked formulas and will auto populate answers and calculations. Each financial spreadsheet will include instructions that will walk you through step by step. If you are interested in using our financial spreadsheets or need assistance at any point please contact Community Futures Parkland.

CONFIDENTIAL

**[Your company name here]**

*Your tagline/photo*

## **Business Plan**

Prepared [date]

### **Business Contact Information**

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## Confidentiality Agreement

The undersigned reader acknowledges that the information provided by (insert name) in this business plan is confidential; therefore, the reader agrees not to disclose it without the express written permission of (insert name).

It is acknowledged by the reader that information to be furnished in this business plan is in all respects confidential in nature, other than information which is in the public domain through other means and that any disclosure or use of same by reader may cause serious harm or damage to (insert name).

Upon request, this document is to be immediately returned to (insert name).

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Signature

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Name (typed or printed)

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Date

This is a business plan. It does not imply an offering of securities.

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## **Executive Summary**

The “Executive Summary” is the most important part of your business plan. The summary should reflect an overview of the business plan and develop interest for your business idea. It can be beneficial to write the executive summary last, after completing and editing the rest of the business plan.

**It should briefly include the following:**

- About you - Tell the reader about yourself, including who you are, brief history of your education and experience, where you came from, and where you plan to be in the future.
- Business plan purpose - Explain if you are trying to seeking investment or secure a bank loan.
- Business idea background - Explain how your business idea came about and why now is the right time.
- Product or service - Provide an overview of the product or service you are going to sell, why it is needed, and how it provides a solution for your customers.
- Market summary - Explain the target market and your ideal customers
- Competition - Explain what differentiates your business and what your unique selling proposition is.
- Financing - Explain how much money you are looking for, how you are planning to use it, and how that will make your business more profitable.
- Financial forecast - Provide information on sales expectations during first year and estimated income.
- Goals - Highlight any specific short term or long term goals you wish to achieve in the future.

Limit your summary to one or two pages in total.

After reading this section, readers should have a basic understanding of your business, be excited about its potential, and interested to read further.

## **Section I: Business Description**

This section explains the basic elements of your business. Include the following:

### **Business name**

- Indicate business name and any history or reason as to why it was chosen.
- Indicate the plan or the status regarding business name registration.

### **Location**

- Indicate where your business will operate from, provide physical address.
- Provide brief description on why you chose this location.

### **Legal structure**

- Indicate if the business is a sole proprietorship, partnership, corporation, nonprofit, co-operative, or franchise. Explain why you chose this structure. Include any corresponding documents in the “Appendices” such as articles of incorporation, partnership agreements, or business registration documents.
- Provide your business number and PST/GST registration number if available.
- Provide the date your business was or is expected to be registered or incorporated.
- Provide WCB Workers Compensation Board number if available.

### **Company vision, mission, and values**

- Indicate your vision, mission, and values.
  - Vision statement refers to the long-term outlook for your business. What do you ultimately want it to become? Ex) your vision for your doggie day-care center might be to become a national chain, franchise or to sell to a larger company.
  - Mission statement is a brief explanation of your company’s reason for being. Ex) our mission is to provide service, safety and a family atmosphere, enabling busy dog owners to spend less time taking care of their dog’s basic needs and more time having fun with their pet.
  - Values consist of operating philosophies or principles that guide an organization's internal conduct as well as its relationship with its customers, partners, and shareholders.

### **Company goals**

- Specify your short and long term goals for the future of your business. Include any milestones or benchmarks you will use to measure your progress. Ex) if one of your goals is to open a second location, milestones might include reaching a specific sales volume or signing contracts with a certain number of clients in the new market.

After reading this section, the reader should have a basic understanding of your business’s location, legal structure, company vision, mission, values, and goals.

## **Section 2: Products & Services**

This section expands on the basic information about your products and services included in the “Executive Summary”. Here are some items to consider:

### **About the products and/or services**

- Describe the products and/or services you plan to sell.
- Explain how they are manufactured, produced and/or sourced. How do you provide them to customers?
- Who or what do you rely on in order to produce these products and/or services.
- Include in the “Appendices” any details such as technical specifications, drawings, photos, patent documents, menus, copies of ads, and other support information.

### **Solutions provided**

Every business solves a problem that its customers face. Explain what the problem is and how your product and/or service solves it.

- What are its benefits, features, and unique selling proposition? What need or want does it satisfy?
- Is your product and/or service distinct from what is already in the marketplace and how?
- How close are you to getting your product and/or service into the market?
- Do you already have customers who can vouch for your business, provide testimonials, or are prepared to do business with you when you start up?

### **Competitive advantage**

- Are you the only business providing this product and/or service in the market?
- How is your business different from other businesses?
- Do you have exclusive agreements with suppliers?
- Do you have the license for a product, technology or service that is in high demand and/or short supply?
- Do you have specific knowledge or experience that gives your business a competitive edge?
- Any existing or pending patents or trademarks?
- Does your business target a customer base your competitors are ignoring?
- What is going to bring customers to your business vs. another one?

After reading this section, the reader should have a thorough understanding of your product, how it provides a solution, and what its competitive advantage will be.

## **Section 3: Marketing Plan**

This section provides details on your industry, the competitive landscape, your target market and how you will market your business to those customers.

### **Target market analysis**

This section describes who your customers are and how your company is going to meet their needs. Your market analysis should include:

- Size of the market - Size of the market is how many potential customers you could have. You will want to consider everything from your:
  - Addressable market - Total people you wish to reach your product or that live in the area.
  - Segmented market - Portion of the addressable market you plan to target as customers.
  - Share of market - Out of the segmented market, how many customers will you achieve? Is this enough customers to generate sufficient revenue and leave room for growth?
  - Frequency - How often will these customers purchase your products and/or services?
- Demographics - Includes details about the age, gender, educational level, and occupation.
- Psychographics - Psychographics helps explain your target market's personality and lifestyle. This is where you will explain how your product fits your customer's lifestyle.
- Geographic - Where do you find your customers? Are they in a specific city or other location? Do your customers live in rural or urban areas? (may want to include maps)
- Behaviors - How do your customers shop for and buy products like yours?
- Trends - If your target markets behavior is changing, how will this affect your business?

You can find market information by completing primary and secondary market research:

- Primary market research - Is information you gather yourself. This could include going online or driving around town to identify competitors; interviewing or surveying people who fit the profile of your target customers; or doing traffic counts at a retail location you are considering.
- Secondary market research - Is information from sources such as trade organizations and journals, magazines and newspapers, census data and demographic profiles. Census link below:
- <https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/index-eng.cfm>

### **Industry analysis**

An industry is a group of businesses that make or sell similar products and services. The easiest way to think about your industry is to think about who your competitors are. Ex) if you are starting a restaurant, your competition is other restaurants. So, you are in the restaurant (or food service) industry.

Your industry analysis should include the following information:

- Key players - Who are the key companies or businesses in your industry? Who are the biggest businesses in the industry and what are the core products and services that they sell? What are their business models?
- Growth - Is your industry growing or shrinking? You will want to show in your business plan how much is sold in your industry, both historically and predictions for the future.
- Trends - If there are trends in your industry, you will want to discuss those as well and how those trends will impact your business. Ex) in the restaurant industry, there has been a trend towards more "fast casual" restaurants. Another example is how the book industry has been impacted by e-readers and smartphones.
- Example industries - Retail, farming and agriculture, construction, professional services, manufacturing, food and accommodation, finance and insurance, franchises, real estate, wholesale trade, information technology, art/entertainment/recreation, health and wellness. Industry codes and averages can be searched here:
- <https://www.ic.gc.ca/app/scr/app/cis/search-recherche?lang=eng>

### **Key competitors**

Every business has competitors. Your plan should show that you have identified yours and understand how to differentiate your business. This section should:

- List key companies that compete with you (including names and locations). Do they have products that compete with yours and/or services that compete with yours? Do they compete across the board, or just for specific products, for certain customers or in certain geographic areas? How does your business compare up against your competitors products?
- Include indirect competitors as well. Includes businesses whose products or services are not the same but that could satisfy the same consumer need. Ex) hunger creates a need to consume food. A customer may choose a local burger joint, grab some take-out sushi, or pick up a frozen pizza from the grocery store and take it home to cook. All three of these products are very different from each other, but they compete indirectly because they all satisfy hunger.
- On the table below, indicate your competitors, their strengths, weaknesses, how your business compares and what you will do to differentiate it.

	<b>Competitor A</b>	<b>Competitor B</b>	<b>Competitor C</b>	<b>Competitor D</b>
<b>Strengths</b>				
<b>Weaknesses</b>				
<b>How you will differentiate</b>				

### **Positioning/niche**

Now that you have assessed your industry, product or service, customers, and competition, you should have a clear understanding of your business’s niche (your unique segment of the market) as well as your positioning (how you want to present your company to customers). Explain these in a short paragraph.

### **Marketing & Advertising**

Marketing, in simple terms, refers to the means of communication between a company and its target audience. It is the activity and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. Ex) developing a campaign to communicate and promote interest with farmers during seeding and harvest times, hosting webinars, networking, referrals, volunteering, and blogs are all examples of marketing. How do you plan to market your business?

Advertising is defined as a form of marketing communication used by companies to promote or sell products and services. Advertising is one of the components or subsets of marketing. In other words, if you think of marketing as a pie, then advertising will be an important slice of that pie. The primary goal of advertising is to influence the buying behavior by promoting a product, service or company. To achieve this goal, advertising focuses on creative positioning and media. In doing so, advertising spreads awareness about what you have to offer.

Explain your marketing and/or advertising strategy. Make sure to explain how you plan to use it. Ex) most businesses have Facebook, how do you plan to make your Facebook page more interesting and attract more customers compared to your competition? What social media platforms do you plan to use and why? How are you planning to advertise? Will you require training in this area? Can include radio scripts, sample posters, or social media posts in “Appendices”.

### **Promotional budget**

How much do you plan to spend on the marketing and advertising outreach above?

- Before startup (these numbers will go into your startup budget)
- On an ongoing basis (these numbers will go into your operating plan budget)
- Ex) who will set up your website and/or social media? What are expected costs?

\* Annual marketing budget spreadsheet can be provided upon request.

### Community involvement

Briefly describe how your business plans to give back to your local community and surrounding area. What are the benefits your business provides to the local community? Ex) job creation, jobs maintained, diversification, providing product or service not currently available, keeping younger generations in communities. Do you plan to take part in any volunteer groups or make donations towards charities or local causes? Ex) chamber of commerce, joint advertising/promotional groups.

### Suppliers

List your key suppliers and note any important relationships.

Supplier name	Location	Type of inventory	Credit/delivery terms	Freight in shipping costs

Will your suppliers provide products and/or services to you on credit? How do their repayment terms work? Does your supplier take returns if the product is not selling or is broken? How much will you expect to spend on freight to bring your products and supplies to your business? Do you have these costs in your cost of goods sold calculations?

You may want to comment on supplier dependence. How vital is this supplier to your business and what is your plan if the supplier cannot deliver?

### Distribution channels

What methods of distribution will you use to sell your products and/or services? These may include:

- Retail
- Wholesale
- E-commerce
- Direct sales
- Inside sales force
- Outside sales reps

How are you planning to distribute your product or service to your customers? If you have any strategic partnerships or key distributor relationships that will be a factor in your success, explain them here.

### Product delivery responsibilities

How will your product and/or service be delivered to your customer? Will you ship your product to customers? If delivery costs exist, these costs should also be included in cost of goods sold calculations.

Provide comments if planning to include the following:

- Warranty/guarantees
- Training
- Ongoing support
- Service contracts
- Refund policy

### Pricing

How do you plan to set prices?

- List and describe the pricing, fee, subscription or leasing structure of your product and/or service.
- How does your product and/or service fit into the competitive landscape in terms of pricing—are you on the low end, mid-range or high end?
- Why will that pricing strategy help you attract customers? Why have you chosen to price this way?
- How important is price to your customers? Is it a deciding factor?
- What is the current price range of the products and/or services in the industry?
- What are your total costs to produce the product and/or service?
- What is minimum profit you need to generate?

Cost-plus pricing - Calculate all costs in producing product and/or service, add a margin, determine how much you can produce, does this price cover overhead and profit?

Retail margin - If you buy and resell products as a retailer or wholesaler, you will add a percentage (margin) to the inventory you have purchased to resell. What is this margin? How did you determine the margin?

Hourly rate - If business is service based, you charge per hour. How much are you charging per hour? How did you determine the hourly rate?

List of pricing for products and/or services can be placed here or in "Appendices".

### **12-month sales forecast**

If you have already made some sales, you can use those as a basis for your projections. If, like most startups, you have not sold anything yet, you will need to create estimates based on your market research. So out of your results from the target market portion of your business plan, how many customers do you expect to sell to? How often are they going to purchase from you?

3 ways to forecast sales:

- 1) Top down method – Based on market potential ex) how many people in area, target market, how often they will use the service, calculate potential sales. Do the sales you just calculated cover your expenses and are they achievable regarding production capacity?
- 2) Bottom up method – Based on your own production capacity ex) number of hours you will work per day/month, calculate the amount of product or service you can produce, calculate potential sales. Do the sales you just calculated cover your expenses and are they achievable based on target market?
- 3) Break even method – Based on minimum sales required to cover expenses. Break even analysis spreadsheet provided. Are the sales you just calculated achievable based off production capacity and target market?

Make sure to note which method you used to forecast your sales and why. It needs to be clear and make sense from a production, target market, and breakeven stand point. Ex) if you need to sell 4000 ice cream cones per month to cover expenses and break even, you need to make sure there are enough people in your target market to purchase those ice cream cones. 100 people will not eat 40 cones per month. Also, you may not have the equipment to produce 4000 cones per month.

\* Keep notes on the research and assumptions that go into developing these sales forecasts. Financing sources will want to know what you based the numbers on. The numbers should be backed with research.

\* Sales forecast spreadsheet can be provided upon request.

After reading this section, the reader should understand who your target customers are, how you plan to market to them, what sales and distribution channels you will use, and how you will position your product and/or service relative to the competition.

## **Section 4: Operational Plan**

This section explains the daily operation of your business, including its production, equipment, personnel and processes.

### **Day to day operations**

Provide brief summary of hours and days of operation, seasonality of the business, customer service level, and customer payment terms.

### **Location and utilities**

Where is your business located? You briefly touched on this in “Section 1: Business Description”. In this section, expand on that information with details such as:

- Why this is a good location
- The size of your location, size required, may want to provide floorplan in “Appendices”
- The type of building (retail, industrial, commercial, storage facilities)
- Zoning restrictions
- Parking or proximity to public transportation or major roads
- Businesses nearby
- Accessibility for customers, employees, suppliers and transportation if necessary
- Costs including rent, maintenance, utilities, insurance and any buildout or remodeling costs
- Utilities (you may want to research previous year utilities or businesses in similar industries or buildings)

### **Legal environment**

What type of legal environment will your business operate in? How are you prepared to handle legal requirements? Include details below, find info at <https://bizpalmanitoba.ca/?b=46>

- Any licenses and/or permits that are needed and whether you have obtained them
- Any trademarks, copyrights or patents that you have or are in the process of applying for
- Any environmental, health or workplace regulations affecting your business
- Any special regulations affecting your industry

### **Production, equipment, and tools**

How will you produce your product or deliver your service? Describe your production methods, the equipment or tools you will use, and how much it will cost to produce what you sell. Try to go further in depth than on “Section 2: Products & Services”.

### **Inventory**

If your business requires inventory, explain:

- What kind of inventory will you keep on hand (raw materials, supplies, finished products)?
- What will be the average value of inventory (in other words, how much are you investing in inventory)?
- What rate of inventory turnover do you expect? How does this compare to industry averages?
- Will you need more inventory than normal during certain seasons? Ex) a retailer might need additional inventory for the holiday shopping season.
- What is your lead time for ordering inventory?

Additional comments can be provided on:

- Do you expect any supply shortages or short-term delivery problems? If so, how will you handle them?
- Do you have more than one supplier for critical items as a backup?
- Do you expect the cost of supplies to hold steady or fluctuate? How will you deal with this?
- What are your suppliers’ payment terms?

### Quality control

How will you maintain consistency? Describe the quality control procedures you will use.

### Technology

Describe any important software, hardware, or other technology that you use now or plan to use later to operate your business. Might include point of sale system, debit machine to take payments, ecommerce engine for website, customer management software, solutions for managing sales pipeline, or marketing tools.

### Bookkeeping and financial controls

Describe what system you will use to check sales. How will you track and maintain customers? How will you monitor monthly financial statements to keep on top of what is selling well and what is not?

How often will you produce financial statements? Identify your bookkeeper or specify if you will do your own books. How will you ensure your assets are protected? How will you manage against employee theft? How often will you count your inventory?

### Credit policies

If you plan to sell to customers on credit, explain:

- Whether this is typical in your industry, do customers expect it?
- What your credit policies will be. How much credit will you extend? What are the criteria for extending it?
- How will you check new customers' creditworthiness?
- What credit terms will you offer?
- How will you handle slow-paying customers? Explain your policies, such as when you will follow up on late payments, and when you will get an attorney or collections agency involved.

### Personnel and payroll

What type of personnel will your business need? Explain details such as:

- What types of employees? Are there any licensing or educational requirements?
- How do you plan to train employees?
- How many employees will you need?
- How do you plan to find qualified employees and contractors?
- How do you plan to retain employees and reduce turnover?
- Provide information on benefits, mileage, overtime, vacation, and workers compensation.
- How or who will be responsible for computing payroll?

In table below, include types of employees required, duties, and pay scale. May want to provide job descriptions, applications, or employee contracts in "Appendices".

Position title	# of people for position	Responsibilities, duties, skills	Full time part-time seasonal	Pay scale
Ex) Chefs	3	Prepare meals and prep kitchen	Full-time	\$30,000 - \$40,000

After reading this section, the reader should understand how your business will operate on a day-to-day basis.

## **Section 5: Risk Analysis & Exit Strategy**

This section highlights barriers you need to overcome to start your business, strengths, weaknesses, opportunities, and threats as well as risks your business may face. It is important to demonstrate how you are prepared for these situations and how you plan to overcome them.

### **Barriers to entry**

What barriers to entry does your startup face, and how do you plan to overcome them? Might include:

- High startup costs
- High production costs
- High marketing costs
- Brand recognition challenges
- Finding qualified employees
- Need for specialized technology or patents
- Tariffs and quotas, government regulations
- Financing, equity, down payment

### **SWOT analysis**

What are the strengths, weaknesses, opportunities, and threats that face your business?

- Strengths - Do you have strong work experience, business reputation, lack of competitors, high share of market, patented idea, high potential for income, available network of connections or referring partners. Ex) Coca-Cola's strength is brand awareness, everyone can identify that red and white can.
- Weaknesses - Is your business in a volatile industry that depends on market prices, relies heavily on trade, high maintenance or shrinkage costs, or lack of knowledge in certain business areas. Ex) One of Coca-Cola's weaknesses includes water management since it is a limited resource required for product production. Coca-Cola could incur higher costs to retain water or face capacity restraints causing profitability to decrease in the long run. Another weakness would be foreign currency fluctuation. In 2014 it used 70 currencies but has to convert it at the end of each period to USD.
- Opportunities - Are competitors closing, is your product or service in high demand and why, are there any industry trends that you can take opportunity of. Ex) Coca-Cola has taken advantage of opportunities in diversifying their products. Currently it owns 16% of Keurig Green Mountain and owns a 17% stake in Monster Beverages. As consumers shift towards healthier living, Coca-Cola bolstered a variety of business lines in juices and coffee.
- Threats - Are there regulatory requirements that could prevent you from doing business, any new competitors entering the market, is weather a threat to your business, or environmental pressures on reducing carbon footprint and environmental emissions. Ex) For Coca-Cola, as consumers become more aware of dietary needs, the shift to more natural and organic products has led to a decrease in soda sales.

Examples of Risks/Threats to your business include:

- Changes in government regulations. Ex) changes in taxation, trade agreements
- Changes in technology. Ex) are customers doing buying online and not coming into your store anymore?
- Changes in the economy. Ex) are interest rates on the rise?
- Changes in your industry. Ex) restaurant industry trending towards "fast casual" restaurants
- Changes in weather/environmental issues. Ex) winter with no snow when you sell snowmobiles
- Changes in competition. Ex) a competitor opens up across the street
- Changes in staffing. Ex) losing key employees
- Changes in market. Ex) is it developing differently than expected? Change in social trends?
- Changes in finances. Ex) is there a shortfall of cash flow?

### **Contingency plan & exit strategy**

Describe contingency plan in the event management is unable to perform duties. Is there an exit strategy in case of health concerns, partnership disagreements, or unexpected situations? Would you sell, merge with another business, or plan to liquidate? What would you need to do to initiate this plan?

After reading this section, the reader should understand startup barriers, risks, and your plan to mitigate them.

## **Section 6: Management, Advisors, & Organization Structure**

This section should give readers an understanding of the people behind your business, their roles and responsibilities, and their prior experience.

### **Biographies**

Include brief biographies of the owner(s) and key employees. Include resumes in the “Appendices”. Here, summarize your experience and those of your key employees in a few paragraphs. Focus on the prior experience and skills that have prepared your team to succeed in this business.

### **Gaps**

Explain how you plan to fill in any gaps in management and/or experience. Ex) if you lack financial know-how, will you hire a financial officer or retain an accountant? Maybe you are outsourcing your bookkeeping? If you don't have sales skills, will you hire an in-house sales manager or use outside sales reps?

### **Business ownership and management structure**

In table below, include any business owners within the business or key management employees:

<b>Name</b>	<b>Title/Responsibilities</b>	<b>% of Business Held</b>

### **Advisors**

List the members of your support team and their contact information including:

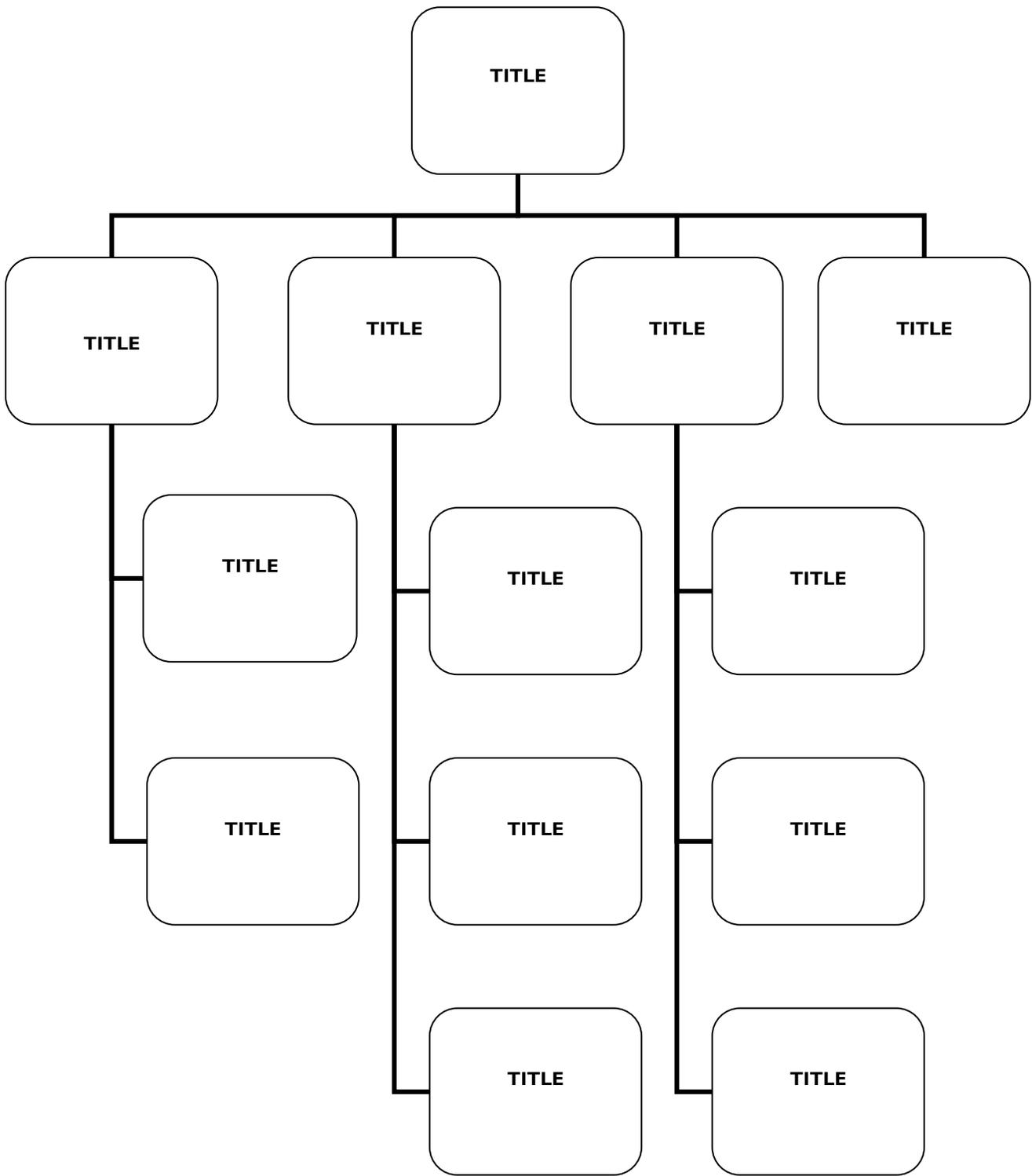
<b>Advisor</b>	<b>Name</b>	<b>Firm Name</b>	<b>Phone Number</b>	<b>Email Address</b>
Ex) Banker	John Doe	XYZ Credit Union	204-111-1111	John@xyccu.ca
Banker				
Lawyer				
Accountant				
Insurance Agent				
Mentor				
Other Advisor				

Does your mentor have experience or specializations that will increase your chances of success? You may want to comment in regards to how they can assist your business.

### **Organization chart**

Develop an organization chart. After reading this section, the reader should feel confident that you have a qualified team leading your business.

Use the organizational chart on the next page to highlight your management team. If you are the only employee, manager, and owner then you can omit the chart. After reading this section, the reader should understand who is in charge and the advisors who you are working with.



## **Section 7: Startup Expenses & Personal Finances**

In this section, detail the expenses involved in opening for business and how much capital you will need. Estimating startup expenses as accurately as possible helps you gather enough startup capital.

### **Startup expenses**

In working on this business plan template, you should already have gathered most, if not all, of the information you need. In the body of this section, be sure to explain all of the assumptions behind the figures. How did you come up with these expenses?

Be sure to include extra capital for unexpected expenses. Opening a new business almost always ends up costing more than expected, and you need to be prepared. List this figure in the startup expenses template provided under reserve for contingencies. How much should you set aside for contingencies? You can talk to other business owners in your industry to get a ballpark figure. If you cannot come up with a figure this way, a good rule of thumb is to set aside 20% to 25% of your total startup costs for contingencies.

\*Startup expenses spreadsheet can be provided upon request

### **Personal cash flow**

If you are using the business plan to seek financing, include a personal cash flow sheet for each owner. The personal cash flow sheet should detail each person's income and expenses outside of the business and their net surplus at the end of every month.

\*Personal cash flow sheet spreadsheet can be provided upon request

### **Personal balance sheet**

If you are using the business plan to seek financing, include a personal balance sheet for each owner. The personal balance sheet should detail each person's assets and liabilities outside of the business and their personal net worth. Investors and/or lenders typically expect business owners to use personal assets to finance a startup and they will want to see how much capital you have available from your personal finances.

\*Personal balance sheet spreadsheet can be provided upon request

After reading this section, the reader should know how much money is needed to start the business and how well capitalized you are.

## **Section 8: Financing & Owner Equity Position**

If you are using the business plan to seek financing from lenders or investors, provide a breakdown of how you will use the capital and what results you expect. Ex) you might plan to buy new equipment and expect that to double your production capacity. If so, make sure to include a list of what all you plan to purchase in the "Appendices" with quotes to determine pricing.

### **Financing requested or planning to request**

Amount	Loan source	Phone #	Email	Purpose of funds

### **Confirmed or approved sources of financing**

Amount	Loan source	Phone #	Email	Purpose of funds

### **Owner investment and equity contribution to the business**

Amount	From where	Purpose of funds

After reviewing this section, the reader should understand what you need for financing, why, understand who all the partners are contributing to the project, and your contribution.

## **Section 9: Financial Statements**

Your financial plan is the most important element of your business plan. Lenders and investors will review it in detail. Developing your financial plan helps you set financial goals for your startup and assess its financing needs. Include the following: \* [Spreadsheets for all financial statements below can be provided upon request](#)

### **12 month profit & loss projection or income statement**

This projection is the centerpiece of your business plan. Be sure to explain the assumptions behind the numbers. Keep detailed notes about how you came up with these figures; you may need this information to answer questions from potential financing sources.

### **Optional: 3-year profit & loss projection**

A three-year profit and loss projection is not essential to a business plan. However, you may want to create one if you expect your business's financials to change substantially after the first year, or if investors or lenders require it.

### **Cash flow projection**

The cash flow projection tracks how much cash your business has on hand at any given time. Once your business is up and running, you will want to keep close tabs on your cash flow statement. For now, however, you are creating a cash flow projection. Think of the cash flow projection as a forecast for your business chequing account. It details when you need to spend money on items such as inventory, rent and payroll, and when you expect to receive payments from customers and clients.

### **Optional: 3-year cash flow statement**

Depending on your needs and the purpose of your business plan, you may also want to include a 3-year cash flow statement. You could complete the cash flow projection for 3 years to provide this information.

### **Projected balance sheet**

A balance sheet subtracts the company's liabilities from its assets to arrive at the owner's equity. Create a projected balance sheet showing the estimated financial condition of your business at the end of its first year. The major difference between the two is that the projected balance sheet includes any owner's equity resulting from the business's first year in operation. Lenders and investors may want to see this projection.

### **Break-even analysis**

The break-even analysis projects the sales volume you need in order to cover your costs. In other words, when will the business break even? Using your profit and loss projections, enter your expected fixed and variable costs. Adjust the categories to reflect your own business.

You can even create a couple of different break-even analyses for different scenarios. Ex) your payroll costs will vary depending on whether you hire full-time employees or use independent contractors. Creating different break-even analyses can help you determine the best option.

### **Resources**

Resources available to help with financial projections include:

<http://www.ic.gc.ca/eic/site/pp-pp.nsf/eng/home>

<http://www.statcan.gc.ca/eng/start>

<https://canadabusiness.ca/>

After reviewing this section, the reader will understand current finances and future projections on the businesses profitability and ability to service debts.

## **Section 10: Insurance Considerations**

Provide a brief summary of the insurance you plan to have or currently have in place. If you wish, you can provide insurance quotes in “Appendices”. Below is a list of insurance considerations:

### **Insurance for owners, partners, and key employees**

Life and disability insurance can protect a small business from the loss or illness of a partner or key employee. This kind of coverage may be especially important to protect dependents of a sole proprietor, whose estate would have to cover any business debts.

### **Insurance for property, assets, and inventory**

This could include property insurance, contents insurance on rental space, inventory protection, and car insurance. If you have to shut down due to a fire or emergency, business interruption insurance can cover loss of earnings until you are back up and running.

### **Liability insurance**

This kind of coverage protects against mistakes that could harm or injure customers, employees, or others connected to your business. This can include professional liability insurance or protection against errors, omissions or negligence.

### **Accounts receivable or credit insurance**

This protects against risk of non-payment of goods.

### **Employee health insurance benefits**

Group plans are available to provide supplemental health and dental insurance coverage for employees, while you may have to contribute to a workplace health and safety program.

\*Consult with an insurance professional or contact your industry association for guidance on best practices for your type of business.

After reading this section, the reader will understand what you have available for insurance, what you plan to provide or acquire for insurance, and approximate costs involved.

## **Section II: Timeline of Activities & Events**

Example below, expected timeline of completion dates regarding your business startup:

Event/Task	Expected Completion Date	Parties Involved	Status
Find location to operate the business			
Complete business plan			
Request financing			
Have financing in place by			
Request business name reservation			
Register business name and receive business number			
Workers Compensation Board number			
Open business bank account			
Complete any renovations			
Obtain and install equipment			
Website, social media, marketing materials ready to go			
Open accounts for GST/PST with business number if required			
Obtain business licenses/permits from local municipalities			
Make sure insurance is in place			
Inventory/services purchased and ready to go			
Hiring of personnel			
Complete any required training/staff training			
Organize grand opening			
Grand opening date			
Other			
Other			

## **Appendices**

Place supporting documents in this section, and refer to them in the body of the plan so readers can find them if needed. It prevents cluttering the business plan with supporting documents.

Below are some elements many business owners include. Depending on the business type, some items below may not be applicable nor available. Example list below:

1. Projected Financial statements/personal financial statements
2. Agreements (Leases, contracts, purchase orders, letters of intent)
3. Partnership/Shareholder agreements
4. Articles of Incorporation
5. Last 3 years financial statements of business being purchased
6. Owner/Shareholders resumes
7. Actual quotes for equipment purchases
8. Copy of building blue prints, floor plans and quotes
9. Information on any liens or caveats against the property being purchased
10. Required licenses/permits/environmental reports
11. Appraisals/Certified business valuations
12. Letters of reference/support from suppliers, customers, or other groups
13. Intellectual property (trademarks, licenses, patents)
14. Advertising/marketing materials
15. List of equipment
16. Floorplan of sales floor, work area, shelving
17. Market research studies
18. List of assets that can be used as collateral

You can also include any other materials that will give readers a fuller picture of your business or support the projections and assumptions you make in your plan. Ex) you might want to include photos of your proposed location, illustrations or photos of a product you are patenting, or charts showing the projected growth of your market.

After reviewing this section, the reader should feel satisfied that the assumptions throughout the plan are backed up by documentation and evidence.