



**STAUNTON CREATIVE  
COMMUNITY FUND**

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## Business Plan Template

So you have an amazing, innovative idea for a new business or to expand your current business? Great!

But turning that idea into a viable, thriving reality requires a lot more than just ideas. In order to ensure your long-term success, you need to do your research ahead of time in order to fully understand the industry and your potential customers, likely expenses and income, wise marketing efforts and customer recruitment, and how your interests and experience make you the best person to bring your hopes, plans, and goals to fruition.

A strong, clear **business plan** is your opportunity to provide all this information and make your case to potential lenders and investors. This template lays out essential components of a good business plan. You will want to take it and make it your own, so that it reflects your personality and creativity; but be sure to cover as much of the information described in the template.

As you prepare your business plan, you should be thinking about how each of the components, and all of that data, fits with your overall goals in starting or expanding your business. What is motivating you as an entrepreneur? Who are the customers you are serving? How are you building a community around your products and services, not just selling stuff to strangers? How is what you do benefiting the community in which you live?

We recommend that you write your own business plan personally, so that you can be intimately familiar with every aspect of your business and think through key decisions involved in formulating your plans. However, the Staunton Creative Community Fund is available to assist you at any point, from that first spark of inspiration to the final draft of your business plan. Contact us by phone or e-mail to setup an appointment and speak with one of our advisors.

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# **Business Plan**

**Business Name**

**Address**

Telephone Number

E-Mail Address

Owner's Name

Date

**Confidentiality Understanding:**

Information, data and figures embodied in this business plan are strictly confidential and are supplied on the understanding that they will be held confidentially and not disclosed to third parties without the prior written consent of [INSERT YOUR NAME].

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## ***I. EXECUTIVE SUMMARY***

This is a one- to two-page overview of the key ideas and features of the business plan. It should engage readers and compel them to read the entire plan. If the business plan is also a **financial proposal**, also highlight key elements of your financing needs and purposes.

Although the Executive Summary appears first in the final document, it is best to write it last, so you can most accurately summarize the contents of your plan.

## ***II. BUSINESS DESCRIPTION***

Start with an introductory section that gives an overview of your business and includes the name and location, the principal owners, the legal structure (Sole Proprietor, Partnership, LLC, Sub-S or C-Corporation), the status (start-up, expansion, or acquisition), and the type of business (manufacturing, retail, wholesale, service—or a combination)

### **A. MISSION STATEMENT**

The Mission Statement spells out the primary purpose and objectives for your business. What is the business about? What defines it? What does it seek to do and be in the community? Many companies display their mission statement and try to “live up to it.”

### **B. PRODUCTS/SERVICES**

Describe the products or services your business offers. What does the product or service do? What benefit does it provide? What need does it fill? Are there specific, definable applications for the product—now and possibly in the future? What are some of the unique features of the product or service?

### **C. STRATEGIC GOALS**

Spell out your goals in forming the business and what you want to accomplish, including proposed timeframes for meeting these goals. This will help you to think through phases of growth and plan the development of your business strategically. And always remember that goals should be **SMART**:

- S**pecific
- M**easurable
- A**ttainable
- R**ealistic
- T**angible

### **D. STRENGTHS & CHALLENGES**

If appropriate, you might include specific strengths that your business will have or challenges it will face. Remember that every challenge should be presented as a **positive opportunity**, or with a solution to turn it into an opportunity.

## ***III. MARKET ANALYSIS***

### **A. INDUSTRY TRENDS**

Give some background about the type of business and the products/services you are providing, relative to other similar businesses. Is this an established industry? Growing? Cutting edge? At what stage in the industry’s “life cycle” are you entering (introduction,

growth, maturity, saturation, or decline)? How will *your* business be similar to and/or different from other businesses in this industry?

Your goal in this section is to demonstrate that you have done your homework and understand the larger industry of which you are a part. This can both inspire you with ideas *and* forewarn you about challenges you might face.

## **B. TARGET MARKET**

The **target market** consists of your *most likely* customers. You will want to discuss the size of your target market, and what percentage of that market you anticipate capturing. You can research your target market through the Internet, census data, local chambers of commerce, public and university libraries, trade associations, and other resources. That will allow you to develop a **customer profile** by defining your typical customers, based on:

- Demographics: geographic location, age, income, education, gender, etc.
- Personality characteristics: likes, dislikes, lifestyle, career, household, and tendencies that affect purchasing patterns.
- Shopping habits: light user, heavy user, seasonal user, etc.

How will you attract and keep customers? How can you expand your market? Creating the profile and answering these questions can help you develop a strategy to reach that target market through your sales plan.

## **C. ANALYSIS OF COMPETITION**

Every business competes for customers and customer dollars. There are primary and secondary competitors (also called direct and indirect).

- *Primary* competitors are competitors that offer a nearly identical product or service.
- *Secondary* competitors offer a substitute good or service, which might be of a lower caliber but is still related and could impact your business.

How do your competitors compare to your business (sales volume, number of employees, locations, customers)? Is their business steady, increasing, or decreasing? What are their strengths and weaknesses? What have you learned by observing them?

## **D. PRODUCT/SERVICE DIFFERENTIATION**

What makes your business stand out, and what unique niche of the market will your business fill? Has anyone attempted to fill this niche? If not, why? Where do you believe you have a business advantage over your competitors (higher quality product, lower price, superior service, quicker delivery time, more convenient locations, or other)?

One of the best ways to approach this is to think about building a **community** around your business and the product/service you provide. For example, if you are opening a toy store, you might aim to create a fun, welcoming environment for children and parents by allowing them to play with toys, and giving them cookies and milk when they come in the store. Or, if you are opening a bookstore, do more than just sell books; why not create reading groups and host poetry readings or musical events as well?

## **E. PROMOTIONS & MARKETING**

An essential part of carving your niche and distinguishing yourself from your competitors is skillful promotion of your business. (Some businesses even go so far as to create an entirely separate Marketing Plan to focus attention on the pricing, placement, and promotion of the product.) In this section of your business plan, you should discuss how you will create your business's "brand"—how customers identify and perceive you.

Also highlight the key methods you will be using to promote your business and product. This can include paid advertising, Internet websites, social media, direct mail, store signs, novelties, and “free” publicity efforts. You should be specific, too, about any phases of advertising you plan to follow, both at startup and throughout the course of operating your business.

## **IV. OPERATIONS PLAN**

### **A. HOURS OF OPERATION / LOCATION / PHYSICAL FACILITY**

If this is a new business, discuss any relevant operational and locational details you know before opening; if an existing business, discuss the current status of and any required changes to the business location. Does the location have an impact on your ability to reach customers? What are some of the key physical characteristics of the current or proposed location?

Some important features to address in this section include:

1. Vehicle access for customers and suppliers
2. Inventory storage
3. Equipment, fixtures, and furniture
4. Electricity, heat, air conditioning, venting, wastewater
5. Merchandise display
6. Customer seating
7. Product preparation space
8. Compliance with current and future environmental regulations
9. Capability for expansion

### **B. STAFFING**

Unless you are comfortable wearing many hats and running your own show completely, you will need to have additional help in your business, either for the daily operations or to assist with specialized tasks. So you must consider the skills required, the availability of those skills (will you need to train—yourself and/or others?), and the pay scales in your area and in your industry.

### **C. SUPPLIES**

What are your sources of supply for inventory and other necessities? Do you depend on a single supplier? Discuss supply alternatives, pricing, or other supplier factors that could affect your ability to manufacture or sell your products, or perform your services.

### **D. FUTURE PLANS**

It is a good idea to discuss any long-range plans for growth or expansion you have. Once again, be sure to make long-term goals **SMART**: **S**pecific, **M**easurable, **A**ttainable, **R**ealistic, **T**angible.

## **V. MANAGEMENT PROFILE**

You have talked a lot about your business so far...but here you can talk about *yourself*! You should include the personal history of the principal owners and/or managers, including related work experiences, duties and responsibilities, salaries, and other experience that qualifies you to run the business.

### **A. PERSONAL HISTORY OF KEY PARTICIPANTS**

Complete this section for **each** key participant in the business. Include their relevant business background and management experience as well as formal and informal education. Most importantly, relate past experiences to *future* success potential. Full resumes and letters of recommendation can also be included in the supporting documents (see below).

### **B. DUTIES & RESPONSIBILITIES OF KEY PARTICIPANTS**

Who are the decision makers? Is there appropriate delegation of authority and tasks? Include job descriptions in this section as well.

### **C. COMPENSATION**

Discuss, as fully as possible, the expected salaries, hourly rates, and other incentives for both management and employees of the business. The more specific you can be on these figures, the better it will be for anticipating expenses involved with running your business.

### **D. AVAILABLE RESOURCES**

Do you and your paid staff have the marketing, management, and financial skills to do it all yourselves? If not, then show relationships that fill the gaps to create a fully capable business enterprise. Do you network with others in your industry to stay current on changes in the marketplace? Include the names of the resources you will use: attorney, accountant, insurance agent, banker, other consultants and associations you will join (such as the Chamber of Commerce, professional or trade groups, and others).

## **VI. FINANCIAL ANALYSIS**

You may have an amazing idea for a business...but you also need to generate income and cover expenses to keep that idea *in* business. This section of your business plan provides your best estimations of the costs to start and operate your business for three to five years. Be prepared to do some research and number-crunching to achieve the complete plan.

These projections will help persuade lenders and investors that your business concept is sound. The numbers can also inform your overall business plan, helping you think about your needs for marketing and balancing expenses in order to remain profitable.

Your banker, accountant, and business counselor can assist you in gathering and testing the assumptions and creating the documents to support your plan. Key financial statements to include:

- A. Startup Costs
- B. Source and Use Of Funds
- C. Income Statement Projection
- D. Monthly Cash Flow Projection and Assumptions
- E. Balance Sheet Projection
- F. Personal Financial Statement\*
- G. Personal Income Tax Returns\*

*\* Include for loan applications and financing proposals*

## ***VII. SUPPORTING DOCUMENTS***

This section may include a variety of documents that support and give detail to the plan. The documents are as varied as the businesses but may include:

- A. Personal Financial Statements
- B. Personal or Business Tax Returns
- C. Market Research Data
- D. Renovation Cost Estimates or Equipment Costs
- E. Sales or Lease Agreements
- F. Floorplan, Overhead Views, and Maps
- G. Brochures, Menus, Logos, or Other Promotional Items
- H. Resumes and Letters of Recommendation