

Business Plan Workbook

Work Your Way through the   
Creating Your Business Plan Workbook

HOW TO USE THIS DOWNLOAD

This download accompanies the *Creating Your Business Plan Workbook*.

The .zip file contains three documents:

1. Business Plan Workbook.docx – This word document provides spaces to answer the questions you will encounter in the *Creating Your Business Plan Workbook*.

The file follows the same sequence as the workbook, and each exercise includes page numbers so you can easily refer to the book for more information.

We have included notes indicating where to transfer the completed information into the Business Plan Template.

1. Cash Flow Template.xsl - Use this pre-made excel spreadsheet to work through pp. 117-122 of the *Creating Your Business Plan Workbook*. The file contains pre-calculated cells to automatically sum totals and can be included in your final business plan.
2. Business Plan Template.docx – Transfer your responses from each step of the business plan writing process into this template. Congratulations – you have now created your business plan!

STEP 1 | What will your business look like?

# 1.1 Name your business (p. 60)

Go ahead: write your proposed business name here. As you work through the book, come back here, stroke out the existing name and record the next one. Do this until you are satisfied with your business name!

>> Transfer the name of your business to Section 1.1 of your business plan.

# 1.2 Product or service (p. 61)

1. What products/services do you provide? (If you are selling a service, explain its features and operation. Do you need any special equipment to operate this business?)
2. Where and how do you provide the product/service?
3. How is your product/service different from others in the market?
4. How is your product manufactured?
5. Do you plan future improvements to your product/service?
6. Are you going to create Intellectual Property by applying for trademarks and patents?

>> Transfer your answers to these questions to Section 1.2 of your business plan.

# 1.3 Type of business (p. 62)

Identify the type of business

* Summarize the type of business and the seasonal or high/low periods below.
* If it is a seasonal business, is there an off-season opportunity (maybe another business) that can complement your business so you can continue to operate all year?
* Have you identified annual trends and/or opportunities in your industry?

>> Transfer your responses to Section 1.3 of your business plan.

# 1.4 Management capabilities (p. 63)

1. What experience (entrepreneurial and/or industry) do you have that will help you to run this type of business? What education, training, or specific skills do you have that are related to running this business?
2. What other strengths do you have that will be an asset to the business?
3. Is there any training or education that would be beneficial to running your business that you should take now or in the near future?
4. Do you foresee any contracts that need to be implemented and/or agreements that may be sub-contracted (management contract, shareholder or partnership agreement, franchiser service agreement, service contract, etc.)? If so, please describe.
5. Identify the skills and abilities of any other contributing key members in your organization. If necessary, are there any plans to increase the level of expertise within the organization? Why?

**MY BUSINESS EXPERIENCE**

|  |  |  |  |
| --- | --- | --- | --- |
| Skill or Experience | Adequate Knowledge | Assistance Needed | Training Needed |
| Management |  |  |  |
| Accounting |  |  |  |
| Tax preparation |  |  |  |
| Project management |  |  |  |
| Budgeting |  |  |  |
| Financial statements |  |  |  |
| Managing employees |  |  |  |
| Negotiation skills |  |  |  |
| Decision-making |  |  |  |
| Time management |  |  |  |
| Computer and software skills (IT) |  |  |  |
| Promotions |  |  |  |
| Marketing |  |  |  |
| Sales |  |  |  |
| Setting prices |  |  |  |
| Other |  |  |  |

>> Transfer your responses to the above questions to Section 1.4 of your business plan.

# 1.5 Organizational structure (p. 66)

Identify which legal structure you have chosen and explain why.

>> Once you have completed this information, you can transfer it to Section 1.5 of your business plan.

# 1.6 Supporting professionals (p. 68)

Document the names and addresses of your legal counsel, accountant, bank, technology resources, insurance agent, consultant or any other professionals that will be providing assistance. These are your formal or professional advisors.

Now, ask yourself these questions:

1. What additional expertise will help me run my business more effectively?
2. Who could my advisors be? Retired family or friends, business or professional organizations, industry professionals, local Chamber of Commerce members?
3. Name any investors and indicate if they will be taking an active role in advising/supporting the management of the company.

>> Once you’ve recorded your formal professionals, transfer them into Section 1.6 of your business plan.

List the contact information for any mentors, business coaches or consultants that might be worth spending time with:

>> Transfer this information into Section 1.6 of your business plan.

STEP 2 | what do you know about your industry, competition and potential customers?

# 2.1 Industry overview (p. 70)

1. Provide a brief overview of the general status of the industry your business will be involved in. Can you clearly describe how your business will fit into this industry?
2. What is the approximate size of your industry? For example, what is the revenue generated by this industry by geographic area, provincially or nationally? How many similar businesses are there in the geographic location, etc.?
3. Discuss factors that could influence this industry regarding future growth prospects, predicted trends, demographics, government regulations, seasonal factors, etc.
4. What is the long term outlook for the industry: product supply and demand, consumer preferences, production practices and emerging technology, etc.?

**>> When you’re satisfied with your notes, transfer them to Section 2.1 of your business plan.**

# 2.2 Competitive analysis (p. 72)

This worksheet is an example of how you can compare your business and your top three competitors (direct or indirect). It will help you identify and analyze their strengths and weaknesses. Under the titles: Your business, Competitor #1, 2, and 3, put an ‘S’ for strength and a ‘W’ for weakness.

PRODUCT COMPETITIVE CHECKLIST

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Customer  Desires** | **Your  Business** | **Competitor #1 Name** | **Competitor #2 Name** | **Competitor #3 Name** |
| Brand name |  |  |  |  |
| Pricing |  |  |  |  |
| Installation service |  |  |  |  |
| Warranty service |  |  |  |  |
| Variety/selection |  |  |  |  |
| Return policy |  |  |  |  |
| Convenient location |  |  |  |  |
| Parking |  |  |  |  |
| Good value |  |  |  |  |
| Convenient hours |  |  |  |  |
| Experienced staff |  |  |  |  |
| Customer service |  |  |  |  |
| Available inventory |  |  |  |  |
| Promotions/events |  |  |  |  |
| Website |  |  |  |  |
| Years in business |  |  |  |  |
| Customer loyalty |  |  |  |  |
| Payment options |  |  |  |  |
| Reputation |  |  |  |  |
| Other |  |  |  |  |

SERVICE COMPETITIVE CHECKLIST

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Customer  Desires** | **Your  Business** | **Competitor #1 Name** | **Competitor #2 Name** | **Competitor #3 Name** |
| Brand name |  |  |  |  |
| Pricing |  |  |  |  |
| Size of company |  |  |  |  |
| Years of experience |  |  |  |  |
| Years in business |  |  |  |  |
| Profile in industry/ community |  |  |  |  |
| Reputation in industry/community |  |  |  |  |
| Other |  |  |  |  |

>> You can copy the appropriate chart and put it in the Appendix of your business plan.

Summarize the competition

1. Based on the charts above, what are the key areas you identified where you can compete favourably (strength) against your competitors?
2. Why and how?
3. Are there areas where your competitors are failing to meet the needs of their customers? How are you able to create a niche (specific product designed to satisfy a specific client) for your product or service?

>> Once you’ve evaluated your competition, transfer the information to Section 2.2 of your business plan.

# 2.3 Target market(s) (p. 76)

Demographic profile: List the demographic information that will best describe the ideal customer for your business.

Geographic profile: Where will your customers be located?

Psychographic profile: Which primary attitudes and values help define your customer profile?

How they buy

1. What is the reason or occasion to buy? Do they need to buy again?
2. Who really makes the buying decisions? What influences their decision?
3. What are the decision-makers most concerned about?
4. Are you aware of your business customers’ sales/decision cycle?
5. How frequently will they make this type of purchase?
6. What buying habits would best describe your target customer?

Summarize your answers into one or two paragraphs to describe your target market(s). Include demographic, geographic, and psychographic purchasing factors and buying habits. My target market is…

>> Transfer this information into Section 2.3 of your business plan.

# 2.4 Market research (p. 82)

Outline what you have discovered from your primary research. Did you complete a market survey or hold a focus group? If so, how was it done, how many were completed and what were the results? What other key information did you discover?

What did you find out about the size of your industry, trends and your potential customers from your secondary research?

>> Transfer this information into Section 2.4 of your business plan.

STEP 3 | How will you find customers and help them buy your product or service?

# 3.1 Objectives (p. 84)

Think about your target market and customer group and write out some objectives below.

1. My marketing objectives for my primary target market are:
2. My marketing objectives for my secondary target market are:
3. My marketing objectives for my tertiary target market are:

>> Transfer your responses to Section 3.1 of your business plan.

# 3.2 Market positioning (branding) (p. 85)

1. How you position your product makes a big difference in how customers perceive its value. What strategy will you use? Is it high-end or low-end?
2. How will you create desire for a customer to obtain your product or service?

Summary: My market position is:

>> Once you have summarized your market position, transfer the information to Section 3.2 of your business plan.

# 3.3 Product/service (p. 86)

**FEATURES AND BENEFITS OF MY PRODUCT/SERVICE**

|  |  |
| --- | --- |
| Features | Benefits |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |

1. Is there a particular problem or challenge your product/service will solve? How it will meet your customers’ needs?
2. What are the strengths and weaknesses of your product or service?
3. Is your product or service easily duplicated? Is there anything that can be done to deter competitors from an easy entry into the marketplace?
4. Discuss if there is any product protection in place, including patents, copyrights or trademarks.

>> Once you’ve completed this whole section, you can transfer it into Section 3.3 of your business plan.

# 3.4 Pricing (p. 88)

My customers want…

**COMPETITOR PRICING**

|  |  |  |  |
| --- | --- | --- | --- |
| Competitor Name | Product/Service | Price | What Is Different  About Them? |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

The special feature or benefit that affects my price is:

My discount structure will be…

My pricing strategy is:

>> Once you have developed your pricing strategy, transfer this information to Section 3.4 of your business plan.

# 3.5 Place (distribution) (p. 92)

Record your distribution channels here:

Place (distribution) plan

1. How will you distribute your product or service? Outline all of the people, processes and technology involved in getting your product/service to the end customer.
2. How do customers like to purchase the product or service? (payment preference, location preferences, frequency and so on)
3. Describe your return policy, service guarantees and/or any warranties you intend to offer   
   customers. What’s your refund policy? How does it compare to your competitors?
4. What after-sales support will you offer? How will you charge for this service?

>> Once you have completed this section, transfer the information to Section 3.5 of your business plan.

# 3.6 Promotion and advertising (p. 95)

Based on what you know about your customers, what kind of marketing tactics and tools do you believe will attract them to your product or service?

Notes on the types of customer problems I’m solving:

**ADDRESSING CUSTOMER PROBLEMS**

|  |  |  |  |
| --- | --- | --- | --- |
| Target Market Group: | | | |
| **Problem** | **Product** | **Tactic or Tool** | **Message to My Customer** |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

1. Describe what plans you have to generate news or social media coverage for your business. What type of media will you use? How frequently?
2. What marketing materials will you produce? Include website, brochures, price sheets, business cards, giveaways and so on.

**MONTHLY ADVERTISING AND PROMOTIONS BUDGET\***

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Tactic | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 | 6 Months Total |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| Monthly Total |  |  |  |  |  |  |  |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Tactic | Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 | 6 Months Total |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| Monthly Total |  |  |  |  |  |  |  |

\*Note: These totals will be transferred to your Cash Flow Statement in Step 5, “Let’s talk about money.”

**MEASURING EFFECTIVENESS**

|  |  |  |
| --- | --- | --- |
| Tactic | Cost | Effectiveness Measurement |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

>> Transfer your responses in this section to Section 3.6 of your business plan.

# 3.7 Sales goals and targets (p. 103)

1. How do you anticipate sales to grow during your first year of business?
2. Key factors should be noted that could potentially slow down or speed up sales:

>> Once you have set your sales goals and targets, transfer the information to Section 3.7 of your business plan.

STEP 4 | How will you run the business?

# 4.1 Overview of operations (p. 105)

The general operating characteristics of the business:

>> Transfer this information to Section 4.1 of your business plan.

# 4.2 Facilities and equipment (p. 105)

1. What type of facility or space do you need (retail, commercial, home office)? Are you planning to go to your customers or do they need to find you?
2. What are the basic requirements for your business to be fully operational? If you own or require land, buildings or equipment, you should explain its worth and/or costs. How will this be financed (e.g. purchase or lease agreement)?
3. What are the advantages and disadvantages of the location you have in mind?
4. If you are working from home and expecting customers to come to your home, what changes need to be made for access? Bylaw regulations?
5. What equipment will you need for your business? Phones? Computers? POS? Ice Cream coolers? List all the equipment you can think of:
6. What government or industry regulations must be considered?

>>Transfer this information to Section 4.2 of your business plan.

1. This list may need to be expanded to reflect your equipment needs. Approximately, what will you pay per month for…

**MONTHLY COSTS**

|  |  |
| --- | --- |
| Item | Monthly Cost\* |
| Rent/lease space |  |
| Telephone/cell/Internet |  |
| Utilities |  |
| Taxes |  |
| Equipment |  |
| Office |  |
| Production |  |
| TOTAL |  |

\*Note: These costs will be transferred to your Cash Flow Statement in Step 5.

# 4.3 Human resources (p. 107)

>> If you are planning on hiring employees be sure to include that information in Section 4.3 of your business plan, and include copies of your job descriptions in your Appendix.

# 4.4 Purchasing and suppliers (p. 109)

1. Discuss any suppliers or subcontractors you plan to use in producing your product or providing services. Consider how they have been, or will be, chosen.
2. How long have they been in business and generally what is their reputation?
3. Have you negotiated purchasing terms that suppliers will offer, such as volume or bulk discounts, minimum orders, credit terms, etc?
4. Who are the raw material suppliers and where are they located?
5. What are the shipping costs and what method do they use to ship product?
6. What is the turnaround time from when an order is placed to when it is shipped and ultimately received by you?
7. What is their return policy for any damaged goods?
8. When evaluating suppliers, are there any alternative suppliers, in the event that problems arise?
9. Detail your purchasing requirements and planned suppliers.

>> Transfer all of this information to Section 4.4 of your business plan.

# 4.5 Production and distribution process (p. 111)

The production process

1. If manufacturing or producing a product, you may want to draft a flowchart for the production process to demonstrate the various steps that will be required along with a description of each step.
2. If you are delivering a service and charging by the hour, outline billable hours versus hours worked.
3. If your business sells a product in the retail market, include storage and inventory systems.

Consider the following questions in describing your production and distribution processes:

1. When can you start producing your product or delivering your service? How long do you anticipate it will take to produce a unit or a set number of units of your product?
2. Will you manufacture or purchase the components necessary for the production of your product or service? Why?
3. How will you keep track of inventory? Will this be computerized or manual? Have you determined average inventory levels? Do you have enough storage space?
4. Have you any quality control measures that you will implement prior to product or service delivery?

>> Transfer all of the information in this section to Section 4.5 of your business plan.

# 4.6 Regulatory and legal (p. 113)

1. What are the relevant municipal, provincial or federal regulations that apply to your product/service? How will your business comply with land use and zoning, fire regulations, health regulations, etc?
2. What taxes and remittances must be paid (e.g. PST, GST)? When?
3. Are you going to be exposed to any environmental factors? If so, how are you going to deal with any potential environmental impacts?
4. What licenses, permits or insurance will be required? What types and amounts of insurance coverage will be necessary for your business protection?

>>Transfer all of the information from this section to Section 4.6 of your business plan.

1. What are the costs associated with any of the following:

**REGULATORY AND LEGAL REQUIREMENTS AND COSTS**

|  |  |  |
| --- | --- | --- |
| License/Permit/Insurance | Costs\* | When Is It Payable? |
| Rezoning |  |  |
| Fire inspection |  |  |
| Environmental assessment |  |  |
| Security |  |  |
| Transport regulations |  |  |
| Licenses – auto, business, food, liquor, etc. |  |  |
| Health permit |  |  |
| Building insurance |  |  |
| Contents insurance |  |  |
| Liability insurance |  |  |
| Director’s insurance (corporations) |  |  |
| Business insurance |  |  |

\*Note: These will be transferred to your cash flow statement as one-time costs, monthly or annual expenditures in Step 5, “Let’s talk about money.”

# 4.7 Information technology (p. 115)

You can’t possibly know everything about all your IT systems, so indicate if you are using a consultant or IT support service and outline any planned IT developments here (e.g. adding your own server).

>> Make sure you list your IT consultant or support service in Section 1.6 of your business plan.

Answer the questions on p. 116 in the Creating Your Business Workbook here:

>> Then transfer your answers to Section 4.7 of your business plan.

STEP 5 | Let’s Talk about money

# 5.2 Cash flow statement (p. 117)

An Excel file of a Cash Flow Statement is included with this document download. [Click here](file:///C:\Users\Danielle\AppData\Local\Temp\Temp2_CYB%20Workbook-Accompanying%20Files.zip\cash-flow-template2013.xls) to open the file, or download the Cash Flow Statement from the Women’s Enterprise Centre website ([wec.ca/CashFlowTemplate](http://www.womensenterprise.ca/Cash_Flow_Template)).

>> Your completed Forecasted Cash Flow Statement will become Section 5.1 of your business plan.

It’s always a good idea to do a ‘worst case’ scenario. You can do this by cutting your revenue projections in half and keeping your expenses the same.

1. Now, what does this do to your cash flow?
2. What changes would you make and how would you cope?

Insert the numbers from your Cash Flow Statement, into this formula to calculate. Break-even in both units and dollars is shown below.

**Break-even in units**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | $ |  | |  |  |  |  |
|  | Annual operating expenses | | | **=** |  |  | **Break-even units  per year** |
| $ | – | | $ |  | Can you sell this number of units? |  |  |
| Unit price |  | | Product cost per unit | |  |  |  |

**Break-even in Dollars**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | | | $ | |  | |  |  |  |  |
|  | | | Annual operating expenses | | | | **=** | $ |  | **Break-even dollars per year** |
| $ | – | $ | |  | | $ |  |  |  |  |
| Unit price | | Product cost per unit | |  | | Unit price | |  |  |  |

>> Once you have completed your Break-even Analysis, transfer it to Section 5.2 of your business plan.

You will want to outline a completed formula of how you arrived at your break-even point. How will this match your projected total sales annually? Using the formula above, calculate your break-even point for units and dollars and put it in the table below.

**MY BUSINESS BREAK-EVEN CALCULATION**

|  |  |  |
| --- | --- | --- |
| Product/Service | Break-Even Units | Break-Even Dollars |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

>> Transfer the above table into your business plan Appendix.

# 5.3 Financing requirements (p. 125)

1. My financing needs are:
2. I will get this money from:
3. Use this space to make notes or calculations about your financial situation. Ensure that you have addressed the issues on p. 126 of the Creating Your Business Plan Workbook.

>> Transfer your answers to the above questions to Section 5.3 of your business plan.

STEP 6 | What Could possibly go wrong?

# 6.1 Risks (p. 128)

Use the table below to list some of your external risks and some potential solutions.

**EXTERNAL RISKS**

|  |  |
| --- | --- |
| Potential Risk | Potential Solution |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |

Use the table below to list some of your internal risks.

**INTERNAL RISKS**

|  |  |
| --- | --- |
| Potential Risk | Potential Solution |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |

Use the table below to list some of your personal risks.

**PERSONAL RISKS**

|  |  |
| --- | --- |
| Potential Risk | Potential Solution |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |

Use the table below to list some of your competitive reactions.

**COMPETITIVE REACTIONS**

|  |  |
| --- | --- |
| Potential Risk | Potential Solution |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |

>> Transfer the previous five tables into Section 6.1 of your business plan.

# 6.2 Managing risk (p. 132)

Use this outline to identify your top risks and then determine a possible action to reduce it. Be realistic and honest when identifying potential risks. The more you identify and look for solutions, the easier it will be to handle the risks when/if they arise.

**RISK MANAGEMENT PLAN**

|  |  |
| --- | --- |
| Risk | Risk Plan |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |

>> Once you have developed a risk management plan based on the above table, transfer it to Section 6.2 of your business plan.

STEP 7 | Action Plan

Use the blank sample start-up action plan below to create YOUR own start-up plan.

**MY 3-MONTH START-UP ACTION PLAN**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Action | WK  1 | WK  2 | WK  3 | WK  4 | WK  5 | WK  6 | WK  7 | WK  8 | WK  9 | WK 10 | WK 11 | WK 12 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
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|  |  |  |  |  |  |  |  |  |  |  |  |  |

>> Transfer your completed action plan to Section 7.0 of your business plan.

STEP 8 | Say it in 1000 words or less

1. Business name: State your business name.
2. Business description: Summarize your business concept. Be sure to include what industry you will be operating in, your target markets and segmentation and the legal structure of your business. Be succinct.
3. Product or service description: Summarize your products and services so that someone reasonably familiar with the technology or the industry can gain a basic understanding. Explain why your product/service can compete favourably in the marketplace, i.e. your competitive advantage. Be succinct.
4. Management: Who is involved in this venture and what is their experience and credentials? Include a 50-75 word bio here and the larger bio/CV/resume in your Appendix.
5. Financial picture: Summarize your financial forecasts and briefly explain how they were determined. Discuss how much you, the owner, has invested and where. State your desired financing needs and their purpose. When and how will the money be paid back?

>> Once you’ve completed the above section, transfer your responses to the Executive Summary of your business plan.

Use the following outline to develop your elevator pitch:

* We are (who).
* We help (or provide) (what, when, where).
* Our customers are people (or companies) who (be specific as to the industry or market segment).
* We help them (describe the problem you solve).
* Our product or service (describe the results).
* Our is the only company or product that   
   (why).