Business Plan Template

# Executive Summary

**Aim**: To be brief and substantial in order to create a positive feeling for reading the rest of the business plan. It must be able to stand alone as a document.

**Tip**: Write the Executive Summary twice, once when you start and once in the end of the BP.

**Contents**:

Readable & easily comprehensible - Write in a language easy for everyone to understand

Short - Should not exceed a single page

Inclusive - Create 3 to 4 small paragraphs, addressing each one of the points below:

i) The concept, its unique vision and market opportunity

ii) The team and its appropriateness for the tasks ahead

iii) The product, innovation and business model

iv) Short-term goals and their implementation

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# The Concept

**Aim**: To clearly describe the context and ideas behind the core service proposed, also it’s core concept and vision.

**Tip**: Everyone should be able to fully understand what you are up to when finished reading this section.

**Contents**:

Don’t bother about the details or technicalities in this section, just present all needed information to make the big picture crystal clear.

Describe something feasible for a small team to deliver in a relatively short period of time.

At the same time, try to make your reader excited to read the rest of the plan.

i) Start with describing the problem you are trying to address and why it matters, in detail.

ii) Continue with the limited solutions today existing in the market.

iii) Then, shape out your innovation and the working solution you bring on the table, also give some clues on why it is solid from a business perspective.

# The Team

**Aim**: To illustrate your ability to complete the mission described before; why you are the most suited team to bring this vision into reality.

**Tip**: It is more important to showcase your commitment and domain knowledge in the tasks that you are up to, rather than any superior excellence.

**Contents**:

Introduce yourselves and let your reader get to know better all of your team’s members.

Next to the member’s bio, try to present the team’s story as a whole, too. Coherence and complementarity are strong assets.

Also, describe your team’s connection to the idea, and your commitment to get it done.

Fully detailed CVs should be attached in the Appendix.

i) Tell the whole story of each one of the team members, describe their background, experience and competences.

ii) Proceed to tell the team’s story, how and why you set it up like this, or things you did together in the past.

iii) Describe each member’s role in the company, who does what and why he/she is the right person to do these tasks. Also, clarify when each one of the members will join full-time.

iv) Finally describe the skills you’re missing as a team, and how you plan to address such weaknesses.

# The Product

**Aim**: Describe your product \*in full detail\*.

**Tip**: Don’t bother about the schedule or competition, but here’s where you need to turn the concept into executable product specifications.

**Contents**:

Extensive - This section may be as long as needed, including details and specifications of every aspect of your product.

Diverse - You may use various means to describe it, screenshots or mockups are appropriate among others.

Honest - It’s better to report some grey areas to be finalized later on, that omitting them at all; show that you know the problems ahead.

Realistic - What you define here is what you will be requested to deliver, so be rational and reasonable on what you specifications.

i) Take your reader for a thorough tour through your product and services, both from an end-user and a developer’s technical perspective.

ii) Describe the potential applications and usage, next to the unique value proposition for your consumers.

iii) Highlight your innovations, how you will sustain your edge and why it matters.

# The Market

**Aim**: To make clear there is a profitable market and a specific focus for the product.

**Tip**: Please avoid arguments like ‘we target at the 0.001% of a multi-billion industry’. You’d better cautiously select your market niche and try to be a significant player in it.

**Contents**:

It is not mandatory to know all of the information requested below, many of which require expensive time and resources market research.

However, you need to picture a specific niche market and make clear that you have chosen it carefully.

Sources for the numbers and facts you report improve your data’s credibility.

i) Total market - The size (in euros and units) of the market environment in which your product will compete. Also, trends of this market.

ii) Market segments - Break down of the total market in segments and the critical factors that define them. Such factors may include customers’ needs, products’ orientation, demographics etc.

iii) Target market - Describe the specific part of the market you target at, and your feasible market share out of it. Number of customers, annual revenues and growth rate, geographical coverage, historical and forecasted development, being profitable or not, product life cycle stage, barriers to entry, uncovered needs are among the contents appropriate.

iv) Target customer profile - Data may include demographics (age, marital status, income, geographic location, etc), what do customers buy and how they use it, when and where, how and why do they buy relevant products.

# The Competition

**Aim**: You already have shaped out the market you address, now outline the market gap which is poorly served by competition and you are fulfilling.

**Tip**: The more details you provide on your competition, the better you justify your innovation and unique value proposition.

**Contents**:

A comparison with existing competitive products/services (both local and international) is necessary in order to increase the business plan’s credibility. This is feasible by comparing the company’s competitive advantages, people and products with the current and future competition in the market segments the company aims to enter.

Competition is held in three levels, direct, indirect and obtuse. Refer to all, with a decreasing level of detail.

i) For each one of your direct competitors, present information about their entity, the market segments they are active in, their product/services and business model. Regarding entities, mention the maturity and type of their business, their business model, revenue and profitability. Regarding market segments, mention their market position (leader, large, niche, small), reasons for serving these segments and avoiding other ones.

ii) Refer in brief to your indirect competitors’ companies and products, also define the reasons pulling away customers from your obtuse competition.

iii) Given your target market, proceed to describe every single competitive product/service in this market. A competitive matrix will efficiently summarize the details (where columns are features and rows are competitive products). Your differentiation features should be highlighted.

iv) Finally, present your venture’s SWOT analysis (Strengths, Weaknesses, Opportunities, Threats), classifying all aspects of your product and team with regard to your competitors.

# The Business Model

**Aim**: You have already described your target user and how you address his needs. Now shape out how he will pay you back.

**Tip**: The revenue model may mature and change over time, however you need to communicate that you have a clear strategy on how to make money, rather than an obscure "we'll see" or "for the sake of innovation and technology" approach.

**Contents**:

If you have a marketing background, you may recall this section as the marketing plan.

Try to keep your business model as straightforward as possible.

It is also recommended to prescribe a business model that returns you revenues from early on, rather than, for example, waiting your first million user.

i) Define the business model - Which users and what will they pay for (variations), in which stage of the product.

ii) Define the pricing policy - How much will the product cost for the various kinds (if applicable) of users.

iii) Define the approach to business development - How will you find your customers; also promotion and sales strategy, next to potential exit opportunities.

# The Schedule

**Aim**: Present a concise plan for the product’s implementation with key dates, actions and deadlines. A Gannt chart is appropriate to put the product details already deployed on the time axis.

**Tip**: Again, describe a schedule which is feasible for a small team to deliver in a short period of time. You will be judged on its implementation in the later stages of the process.

**Contents**:

All of the goals should be measurable and quantified.

The availability of a prototype or the first launch of the product should take place during the incubation period.

i) Description of the short and medium term goals for the company, what is that you want to achieve from now on and when.

ii) Milestones should include the design, development, production, testing and launch of your new product(s) or service(s). Other milestones may refer to user, market share or sales growth, profit margins, expenses and net profits, revenue targets and team maturity, among others..

iii) High risk factors for the implementation of the schedule should be highlighted and actions eliminating or mitigating their consequences should be prescribed.

# Funding & Revenues

**Aim**: Set up and describe in detail the flows of needed funding & projected revenues, next to financial forecasts based on realistic assumptions.

**Tip**: Forecasts and projections are by definition wrong. Your task is to make the smallest error possible, and deploy reasonable forecasts, setting up the targets you will deliver against.

**Contents**:

Forecasts must be precise numerical scenarios for the future, so as to be able to set specific targets while tracking your progress.

Provide data for the following time frames: Incubation period (first 4 months), rest of the first year, second year and third year. Be as specific as you can, regarding the first year at least.

You should precisely explain the assumptions that define the main elements of your financial analysis. These include your production and human resources cost projections, also sales and their progress (as mentioned in previous chapters).

Graphs may ease the reading of this section, you may put detailed tables in the Appendix.

i) Define and describe your initial set-up budget (cost to open) and burn rate (maintenance cost) for the first 4 months of your operations (staff expenses, rent and building expenses, legal and other professional fees, equipment, licenses, promotion and marketing, other unpredicted expenses). These refer to the incubation period, during which 20-30k euro should cover all expenses till your product launch.

ii) Move on to your cost projections in the months to follow, till the end of your first year. Then, deploy some projections for the next two years.

iii) Given your revenue model and cost curve, set up reasonable sales forecasts (or various scenarios) and finally pick one to estimate when you will break even, achieve positive cash flow and profitability. Also define the number of users and market share that you need to achieve these targets. Moreover estimate the time you will be in need of further funding, also your curve of growth versus profitability.

# Appendices

Resumes of all entrepreneurs

References on bibliography or other sources used

Implementation schedule and milestones tables

Cost & revenue tables

Breakdown of team’s shares to members

Description and valuation of IPs, if existing

Letters of intent the team may already possess