

## MAJOR COMPONENTS IN A TYPICAL BUSINESS PLAN

- Table of contents:** This element is a guide to the key sections in your business plan and is an especially useful element if your plan exceeds ten pages.
- Executive summary:** This section is a summary of the key points in your business plan. It is especially important if your plan runs more than ten pages and you want to convey important information upfront. Because many readers look no further than your executive summary, you want to keep it clear, captivating, and brief — in fact, try to keep it to two pages or less.
- Company overview:** This section describes your company and the nature of your business. It may include your company's mission and vision statements as well as descriptions of your values, your products or services, ways your company is unique, and what business opportunities you're planning to seize. (Turn to Chapter 3 for help defining your business purpose and developing your company overview.)
- Business environment:** This section includes an analysis of your industry and the forces at work in your market, an in-depth description of your direct and potential competitors, and a close look at your customers including who they are, what they want, and how they buy products or services. Think of this section this way: It describes everything that affects your business that's beyond your control. (Count on Chapter 4 to help you zoom in on your environment and develop your analysis.)
- Company description:** In this section, include information about your management team, your organization, new or proprietary technology, your products and services, your company operations, and your marketing potential. Focus on areas where you have real advantages over your competition. (Check out Chapter 6 for help in writing your company description.)
- Company strategy:** Here's where you detail your roadmap to the future. This section brings together the information about your business environment and your company's resources and then lays out a strategy for going forward. Included in this section is your analysis of the opportunities, threats, and uncertainties that your business faces along with the ways you plan to avoid pitfalls and take advantage of opportunities. (As you prepare this section, you'll find Chapter 5 an indispensable resource.)

**Marketing plan:** This section is where you describe how you plan to reach prospects, make sales, and develop a loyal clientele. Because customers and sales are essential to your company's success, this section is a major component of your business plan. (Chapter 7 is devoted exclusively to helping you develop your marketing plan.)

**Financial review:** This section includes a detailed review of dollars and cents, including the state of your finances today and what you expect your financial picture to look like in the future. It typically contains financial statements, including an income statement, your balance sheet, and a cash-flow statement.

**Action plan:** In this section you detail the steps involved in implementing your business plan, including the sequence of actions and how they align with your goals and objectives. (Flip to Chapter 3 for advice on establishing goals and objectives. Then turn to Chapters 14 and 15 for information on how action plans ensure that you'll put your business plan to work.)

**Appendixes:** This section includes detailed information that supports your business plan. It may include analyses, reports, surveys, legal documents, product specifications, and spreadsheets that deliver a fuller understanding of your business plan, but which are of interest only to a small number of your readers.