

Preparing a business plan

Your business plan is a management tool and is designed to suit the structure and needs of your particular business. There is not a one-size-fits-all business plan, or a set formula that you have to follow.

This leeway to design your own business plan can feel quite daunting at first, but this is easy to solve if you identify the reasons why you need a business plan. These could include setting business goals and objectives, establishing performance requirements and assessing whether these have been achieved, or communicating messages to people inside or outside your company.

The structure of your business plan

A business plan usually serves a number of purposes. It is a good idea to identify the purposes you'd like your business plan to achieve because this could affect how you choose to structure and write your plan. For example, you're likely to focus on different information depending on whether your plan is intended as an internal document for management to refer to, or for raising finances from an external source.

Use the three business plan structures in the table below to find the best structure for your business. Because there is no set way to structure a business plan, the format is one of personal preference. You might find one outline is more suited to your business than another.

Structure 1

Cover page
Table of contents
Executive summary
The Business
Marketing
Staffing
Purchasing
Production
Finances
Supporting documents

Structure 2

Cover page
Executive summary
Table of contents
Business overview
Market overview
Business goals/objectives
Requirements overview
Operations overview
Sales and marketing overview
Financial overview

Structure 3

Cover page
Brief statement
The market
Personnel skills and resources
The benefits of your product
Business goals/objectives
Long-term plans and needs
Financial targets
Business history
Supporting documents

If you're writing your business plan as part of the process of applying for a loan, it is a good idea to include a one-page cover letter. The cover letter should include the following.

- The type of loan you are looking for
- The amount of the loan and period you wish to borrow the money
- What you need the money for
- A reference to the business plan attached

If you are applying for a loan, you will probably also need to include more detailed personal information, including your tax returns, bank account statements, assets, liabilities and other business interests.

Writing your business plan

Keep your business plan as short and simple as possible. Use simple language and short sentences so that it is easy to understand, and edit your draft to remove unnecessary words. Use bullet points or tables if this makes ideas easier to read or understand.

Present your facts and information so that they flow logically rather than jump around, and make sure that the information presented in different sections supports each other. You don't want to present information that does not add up or raises questions about the accuracy of your plan.

Do not give in to the temptation to overstate the truth, and bear in mind that the figures you present will need to back up the words in your business plan.

Start by jotting down points and ideas under each of the headings you plan to include in your business plan. Then sort these ideas so that there is a logical flow. At the same time, look out for any gaps or weaknesses and fill them in with the necessary research.

Start writing your business plan as soon as possible and keep refining and editing your work to keep it as short, simple and easy to understand as possible.

Writing your executive summary

Your executive summary is a very important part of your business plan. It is the first section people will read, and provides a brief but complete overview of your entire business plan. Because it contains reference to the entire business plan, the executive summary is usually written towards the end of the business plan writing process.

Your executive summary should be less than three pages, simply written and to the point, with an emphasis on the key issues of your business plan and a focus on the areas that will make your business successful in a competitive market.

Use your plan's table of contents to map out your summary, and elaborate on the areas that are important. It is a good idea to end your executive summary with a short statement of why your business is poised to be a success.

The table of contents

The table of contents will appear before or after the executive summary. It is a list of headings with page number references that help your reader locate specific information in your plan. The numbering of the headings in your table of contents is one of the last things you will do when finalizing your business plan.

The presentation of your business plan

The presentation of your business plan could be one of the first impressions someone gets of your business. It is a good idea to include a cover page and to bind your business plan with a cardboard or plastic front and back cover so that it is professionally presented.

It is also important that the layout is neat and professional looking and that the pages are numbered. Spend a little extra time on the presentation of your business plan to ensure it presents your business in the best possible light.

Does my business plan need an external review?

Your business plan does not need to be approved or verified by anyone, but it is a good idea to let a few people read your draft business plan before you finish it and print it out.



Paying to have your business plan professionally proof read will ensure that it is free of embarrassing spelling and grammatical errors. Asking your accountant and a few business acquaintances or mentors to read through your plan will also help to identify any inconsistencies or gaps in the information.

Want help growing your business?

Call us on 212-843-3277 or [visit our website](#).