

OUTLINE OF A BUSINESS PLAN

No single outline is appropriate for every new venture. The following outline covers most of the areas that are appropriate to include in a business plan to be used for attracting outside investment. A plan intended for operational control may be less detailed in some areas and more detailed in others.

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Executive Summary

I. Background and Purpose of Venture—Includes the history and current condition of the venture, describes the concept, and sets out the objectives for the venture and any financing being sought.

II. Market Analysis—Contains a description of the market; including market size, trends, and key customer groups. Elaborates on the characteristics of the target market. Presents the results of any market testing or market research. Describes the competitive environment, including any regulatory restrictions. Identifies distribution and marketing strategy and any sources of competitive advantage or disadvantage related to marketing. Uses all of the above factors to develop a sales forecast for the venture. Identifies critical market and marketing risks.

III. Products and Services—Contains a detailed product description, including life cycle, intellectual property issues, status of development efforts, and distribution methods. Identifies any sources of competitive advantage or disadvantage related to the product or service. Identifies critical product-related risks.

IV. Development, Production, and Operations—Describes the status of research and development efforts and what remains to be done to achieve a marketable product. Sets out a timeline for reaching start-up. Describes the status of production efforts; including production processes, production requirements, delivery capabilities, and quality control. Identifies any perceived competitive advantages or disadvantages related to development or operations. Identifies critical risks of development and operations.

V. Organization and Management—Identifies key personnel, status of hiring efforts, and future staffing requirements. Identifies capabilities that are needed, their availability, and anticipated compensation. Identifies any sources of competitive advantage or disadvantage related to management and staffing. Identifies critical staffing risks.

VI. Ownership and Control—Describes legal and control structure of the venture. Gives details of managerial ownership, proposed ownership of outside investors, and composition of board of directors.

VII. Financial Information—Reports the current and historical financial status of the venture. Sets out total funding requirements over time and includes pro forma financial statements for an appropriate period. Identifies critical assumptions underlying the financial projections and gives support for the assumptions.