

COMPONENTS OF A BUSINESS PLAN

A complete business plan will include a summary section with a Title Page, Table of Contents, Summary and Business Profile, as well as sections outlining the Marketing, Production, Human Resources and Financial plans.

Your business plan may look different from the examples used in this book. You should emphasize those sections which best reflect the nature of your business.

Business Plan Outline

**Business Profile &
Summary**

Marketing Plan

**Human Resources
Plan**

Production Plan

Financial Plan

Title Page

The title page helps your business plan look professional. Remember that first impressions are very important, especially to readers, such as bankers, who see many, many plans.

As the example on the next page shows, include your firm's name, the period the plan covers, the date your plan was prepared as well as a contact person, phone number, and address.

***Title Page
Example***

**Business Plan
for 1992,1993,1994**

to
Operate

“The Davidson Ranch”

a 150 head Cow/Calf Ranch

Prepared by:

Sue and John Davidson

Date: Dec. __, 19__

Mailing Address:

100 Kamloops Ave.,

Kamloops, B.C.

Phone: (604) 555-1234

Table of Contents

The Table of Contents outlines the topics covered by the plan. It allows the reader to jump immediately to those sections which are of most interest.

Remember that people who may read your plan, such as perspective lenders, are busy people. The table of contents is a roadmap of where they can find more detail on each topic.

Table of Contents Example

	Page
Title Page	7
Table of Contents	9
Summary	
Purpose of Plan	11
Business Targets and Strategies	11
Business Organization	12
The Marketing Plan	
The Market	14
Industry and Market Trends	14
Political and Legal	16
Customer Analysis and Response	16
Pricing	18
Marketing Strategies	20
The Human Resources Plan	
Employee Plan	22
Organization Chart	22
Compensation and Benefits	24
Labour and Training Goals	24
The Production Plan	
Land, Buildings and Facilities	26
Equipment	26
Materials and Supplies	28
Production Targets	28
Production Strategies	30
Herd Management/Production Schedule	32
The Financial Plan	
Income Statement	35
Cash Flow Summary	37
Projected Assets, Liabilities and Owner's Equity	39
Capital Sales, Purchases	41
Loan Summary	43
Financial Performance Indicators	45
The Long-Range Plan	47
Glossary of Business Terms	49

Business Profile and Summary

This section should attract the reader's interest, outlining the basics of your plan and encouraging him or her to read the remainder of the plan. The summary is provided to give them the basics.

As the example shows, the summary includes:

- the purpose and concept of the business
- business targets and how you intend to realize them.

If your plan is for establishing a ranch, the plans would include:

- required financing and sources.

You will probably find the summary easier to prepare after you have completed the rest of the plan.

The summary should be written with the reader and purpose of the plan in mind. A summary to be read by a manager of a credit institution may be different from one prepared for a potential equity investor.

This example, for establishing a new business, uses projected information. For existing firms, information on past sales, incomes and net worth should be included as well as projections.

Summary Example

Purpose of the plan

The plan outlines our proposal to operate a 150 head cow/calf ranch operation. This includes the production and selling of a calf crop through the B.C Livestock Producers Cooperative Association Auction Market and the proposal of utilizing alternative marketing methods.

Business Targets and Strategies

Marketing

- Investigate and try new methods of marketing
- Operate ranch recognizing concerns for environmental and land use issues
- Market livestock to obtain highest price possible for greatest return.

Production

- Increase weaning weights to 585 lbs. for steers and 545 for heifers
- Increase weaning percentage to 97%
- Increase hay yields to 3.5 tons/acre
- Keep informed as to environmental concerns and make appropriate changes.

Human Resources

- To create an integral role for the children in making farm decisions
- Maintain interest in farming by attending industry conferences and staying informed of current issues and concerns.

Financial

- Increase profits yearly by adopting marketing and production strategies
- Build up cash reserves for anticipated slow years and possible new tractor purchase.

Projected Income and Net Worth

Item	Year One	Year Two	Year Three
Revenue	86,600	89,900	92,400
Expenses	65,100	59,500	56,600
Net Income	21,500	30,400	35,800
Net Worth	734,000	732,000	736,000