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## ***Business Plan Guide***

### **Summary**

This guide is intended to assist an entrepreneur in writing a business plan for the establishment, the purchase or the expansion of an existing business and consists of three sections.

### **What is a Business Plan?**

A business plan is a recognized management tool used by successful and/or prospective businesses of all sizes to document business objectives and to propose how these objectives will be attained within a specific period of time. It is a written document which describes who you are, what you plan to achieve, where your business will be located, when you expect to get under way, and how you will overcome the risks involved and provide the returns anticipated.

### **Why Do You Need a Business Plan?**

A business plan will provide information of your proposed venture to lenders, investors, and suppliers to demonstrate how you plan to use their money, and to establish a basis for credibility of your project.

### **When Should a Business Plan be Prepared?**

The sooner you develop your business plan, the better. You will find that the final copy of your business plan may differ from the original draft, as you will be updating, revising and refining it as you go. It is important that you examine all the relevant factors now. Therefore, you will be able to anticipate any surprises after your business has opened its doors.

### **Who Should Prepare a Business Plan?**

The business plan should be prepared by those persons who will be implementing it. Outside assistance from consultants, accountants, bookkeepers, and experienced business people can definitely help, but *you* must draft the initial plan.

- Think through each element of your business plan thoroughly so you have a good understanding of the overall picture and all of the details.
- Present your plan to others for constructive criticism and advice, and try to profit from their experience. Modify your plan if necessary.

### **What's in this for me?**

If you have never drawn up a business plan before, you may be curious as to what the benefits are for you. First and most important, your plan gives you a guide to follow. Second, it gives your lending agency insight into your business opportunity therefore, positively affects your loan application. Finally, your plan may help you develop as a manager by giving you practice in thinking about competitive conditions, promotional opportunities, sources of finance, etc. Your goal is to put the plan into action.

# **Business Plan – Section 1**

## **Business Description**

***Describe what form of business structure you have chosen:***

- Sole proprietorship;
- Partnership (enclose agreement);
- Corporation (enclose shareholders agreement);
- Co-operative (enclose membership agreement).

***Include if Available:***

- Date the business was registered/incorporated;
- The business name and address;
- The business phone number;
- The principal(s) name(s) and telephone number(s);
- The percentage of business or number of shares held by each (in partnership or corporation);
- The website address and relevant email address.
- Hours of operation, days, or if seasonal.

## **Executive Summary**

This step is done last using the information provided in Section 2 below. (This should be no more than a one page summary of your business plan.)

***Briefly describe:***

- If this is a new business venture, expansion of an existing business or the purchase of an existing business;
- The type of business activity in which you are engaged (manufacturing, wholesale, retail, food processing, service, high technology, etc.);
- Your product or service and its uniqueness;
- The market to be served;
- Your advantage over the competition;
- The main objectives of your organization;
- Your management background;
- The project time frames involved.

## **Business Plan – Section 2**

Use *ONE* of the two templates provided to record the following information.

**1. The Idea:**

- Describe the products to be produced or the services to be provided.

**2a. What Makes You Unique?**

- How is your business different from others in the marketplace?
- What are the features/advantages that will entice customers to buy from you?
- Will you offer any product or service guarantees or warranties?
- Provide information on any patents, trade secrets or other technical advantages over the competition.

**2b. Competitors:**

- How will your competition react to you entering the market?
- Who are your direct competitors? What are their strengths and weaknesses?
- Who are your indirect competitors?

**3a. Who Do You Serve?**

- Who is your Target Market?
- Where are they located?
- Are your products or services aimed at a specific age, gender or income group?

**3b. Marketing Strategies:**

- What are your past sales (if available) and future projections?
- What price (manufacture, wholesale, retail) do you intend to charge?
- How do your prices compare to the competition?
- What are your selling terms (cash or credit)?
- What promotional tools will you use? Newspaper ads, flyers, online, networking etc.

**4. What Makes your Business Viable?**

- Strengths:
- Challenges:
- Opportunities:

**5a. Sources of Income:**

- What are your sources of income? Sales, investments etc.

**5b. Expenses:**

- Are there assets you have to purchase to run your business?
- Are there manufacturing costs?
- Rent, Utilities, Taxes, Wages, Insurance, WCB, Training, etc.?
- Advertising costs.
- Building and equipment repairs and maintenance.

## 6. Requirements and Resources:

- Building
  - Identify your facility requirements: size, type and location.
  - Why this location?
  - Is it a purchase or lease?
  - Is there an appraisal amount?
  - Do you need special requirements: water, power, ventilation, heat, air conditioning, drainage, disposal, Department of Health requirements.
  - Is the zoning appropriate for your venture?
- Equipment
  - What equipment is required
  - Is it a purchase or can it be leased?
  - It is high or low maintenance?
- Personnel
  - Organization Chart
  - How many positions do you have? What are the duties of each position?
  - Are they full-time, part-time, seasonal, temporary, student
  - Are they being paid hourly, salary, by commission, profit sharing, bonuses, stocks?
  - Is training required?
- Financial
  - Do you require financing?
  - Personal Investors
  - Bank Loans
  - Savings
- Skills
  - What skills are required in each position?
  - Do you need to take or provide training?
  - Do you need to hire employees with the skills already in place?
- Certifications & Licenses
  - What certifications and licenses do you need to legally conduct your business?
  - Business License, Insurance, GST registration, WCB, Educational Certificate etc.

### 7a. Supplies:

- Who are your suppliers?
- What are their credit terms?

### 7b. Business Professionals:

- Accountant
- Banker
- Insurance Company
- Lawyer

## 8. What is My Succession Plan?