



Moula

Business Plan Template

Thank you for downloading Moula's Business Plan Template to get your business set up for 2020.

Here we provide an outline of common sections found in a business plan including descriptions for content that you can customise to better suit your needs.

For any sections that may not apply to you, feel free to delete them. Please note, this is a tool to help you plan and is not offered as financial or business advice. For important business decisions, we recommend consulting with a business or financial advisor.

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[Your Business Name]

Business Plan

[Insert company logo or image representing the company's products and services.]

[Date]

[Your name]

[Your title]

[Your address]

[Your phone number]

[Your email address]

[Your web address]

Executive Summary

An effective executive summary is essential because it needs to capture the reader's attention and clearly makes your case in a few pages.

1. Start the executive summary after the document has been finalised

The objective of the summary is to review what is contained in the rest of your business plan. So make sure you have a final version of the document before you begin writing the executive summary.

2. Keep it short

The executive summary should convey the objective and key points of the document in the fewest words possible. In a business environment, where decision-makers are overwhelmed with information, the shorter the better.

3. Make it easy to read

As with the rest of the document, write the executive summary so that it can be read easily. This means avoiding complicated words, long sentences, jargon and corporate buzzwords. You can also make the summary easy to follow by using bullet-point lists.

4. Don't include new material when writing an executive summary

The summary should only include what's covered in the document. You should not try to embellish and add new material. Also, the executive summary should not be an introduction – if you think the document needs an introduction, then it should be a stand-alone section. Typically, the introduction would come after the executive summary.

The executive summary should summarise information from the sections found in the main business plan:

- Business Overview
- Products and Services
- The Market
- Sales and Marketing Plan
- Company Management
- Operations Plan
- Financial Plan

Business Overview

Provide an overview of your business, which is a short company profile or one to two pages. Answer the following questions:

- What is the business name and location?
- What is the business structure – sole trader, company, partnership, trust?
- At what stage is your business – initial idea, planning, startup, new business, established business?
- What is the history of the business? How and why was it founded? If there is a notable story behind the origin of the business, include a short summary of this.
- What is your product or service? If not created yet, what is the development stage of your product or service.
- Size of the business (numbers regarding annual turnover, staffing, significant assets or facilities).
- How the product or service is or will be delivered.
- Who is your target market?
- Potential industry and market developments, and steps that would be taken to adapt to them.
- The reason you are seeking investment.
- Return on investment – what’s in it for the potential investor or how can the lender be confident that it’s a reasonable risk?

Include the following subsections in the Business Overview.

Industry Overview

This should cover the basic information of your industry, including statistics such as the number of companies active, total revenue, growth forecasts and main competitors. Include potential developments in the industry, both positive and negative; how they could affect your business and how to identify a gap or overcome changes.

Industry statistics can be found at www.abs.gov.au or more detailed reports for a fee at www.ibisworld.com.au.

Business Description

Include the legal name of your business and the type of business structure – such as sole trader, company, partnership or trust. Describe the stage of business development, whether it’s in the planning stage, a startup, new business, or expanding business (learn more in [Business Growth Stages – Where Is Your Business?](#)).

Describe the business you are in, the products or services you offer and how you provide them to your customers.

Include the location (or locations) of your business and how this enables you to deliver your product or service effectively. If facilities are an essential part of your business (such as a manufacturing plant), provide a brief description of them.

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Summarise the purpose of your business in a mission statement. A mission statement clarifies what a company does and why it does it. It explains a company's values, what purpose it seeks to serve, and how it plans to achieve its goals. A good mission statement is a guiding star for the business. It motivates management and staff toward a shared goal; it's also an open letter to customers of what they can expect.

So how do you get started writing a mission statement? The first thing to do is to look at the business objectively. The keyword here is clarity, which comes from boiling down everything that your company is and does, until you are left with the very essence of the business.

When creating your mission statement, get some blank paper and start doodling. Think about what your business does. Work is done not merely for money, but as a service to clients, and ultimately the community. Consider any positive feedback you may have heard from clients and staff.

Ask yourself a series of questions:

- What was the intention of starting this business?
- What do you like about the work?
- Is there any work your company has done that you are especially proud of?
- What are the company's future goals? Why?
- How has the business helped people?

Write it all down – there are no wrong answers. If you are writing a mission statement on behalf of the owner or the executive management, perhaps type up a little questionnaire for them to fill out. Once you have all the information, write a mission statement. Write it several times – you won't get it right without getting it wrong a number of times first. Try to reduce the word count as much as you can, while still including everything you feel is essential. A mission statement is usually no more than about 30 words in length, so there's no room for waffle.

When writing a mission statement, you may find that two phrases say similar things. Combine them into one phrase, or even a word. Remember to keep your language as simple as possible. Simplicity is clarity.

Below is a quick check-list of the things you will need to include:

- Acknowledge the stakeholders
- Have a clear declaration of purpose
- Note company values
- Describe the primary activities of the organisation
- Mention company goals.

Once you think you are done writing a mission statement, get some fresh eyes to look at what you have written. Writers of all levels benefit from showing their work to others for clarification. They may say they don't understand a sentence. If you get this feedback from several people, it probably suggests the writing is not plain and simple enough.

Objectives and Plans for The Future

Define the objective of your business in a few sentences. Answer the following questions to explain your objectives and plans.

- How do you see the future of your business?
- What are the broad goals for the company?
- How do you plan to achieve growth? What is the expected rate of growth?
- Future directions of the business – diversification, new products and services, increased production, sale of the business.
- What are the short-term and long-term company goals and timeframes?

Critical Factors for Success

Every business has factors that are essential for its success. Determine the resources, processes, actions and people that are needed to achieve the objectives above.

- What are the essential factors that will determine the success of the business?
- What outside and inside elements have a direct impact on making the business successful? How can these be acquired and implemented?
- What factors make your business competitive?
- If seeking business finance, explain how the funds will be used to overcome challenges and achieve your objectives?

Company Structure

Provide a summary of your business structure, whether it will be a sole trader, company, partnership or trust. If there are shareholders include their name, title, number of shares and percentage of ownership.

Exit Strategy

Every business should have an exit strategy. Small business owners need to understand their options if they decide to move on or can no longer run the business. Larger businesses, with equity investors, will want to show how the investors will get their money back. Some exit options include:

- Selling or merging the business
- A private placement or going public with an IPO
- A management buyout.

Products and/or Services

In this section, you provide a detailed explanation of the products and/or services your business creates and offers. Get into details to show potential lenders or investors how the product or service benefits purchasers. Explain how your business can stand out in creating and delivering products and services in a way that will meet the needs of your market. Include relevant supporting material at the end of the business plan in the appendix. Supporting information can include brochures, images, specifications and drawings.

Description of Products and/or Services

In describing your products or services, consider the following questions:

- What is your product or service? Briefly describe what it does and how it works. For services, describe how the service is delivered.
- Who is your target market?
- How does the product/service meet customer needs?
- What are the features and benefits of the products/services?
- Do you have IP rights to the product/service, such as trademark, patent or copyright?
- How do you price your products/services? Can you explain the underlying cost and profit margin for the products or services you offer?
- Do you service a particular market or geographic area?
- What are the current sales levels of your products or services?
- How are the products and services supplied? Are there any potential supply challenges?

For products, explain what it does and how it stands apart from competitors'. What are their strengths and weaknesses?

Describe your services and how they are delivered. How do your services compare with similar ones offered by competitors?

Production and/or Delivery

Explain how your products or services are produced and/ or delivered.

For products, this will include how they are manufactured and/ or sourced.

For services, this will include the process of service delivery.

Products and Services in Development

If you have any new products or services in the planning stages, please describe them and indicate how and when they will be introduced.

Intellectual Property Aspects or Unique Features of the Product/Service

If you have IP rights in the form of a trademark, copyright or patent, explain this. Also, if your product or service has unique features compared to others', describe these. If not applicable, delete this section heading.

The Market

In this section, you look at the big picture of your target market, including its size and characteristics. If you are in retail for example, you will want to include the size of the retail industry, current trends and the sub-sectors that make up the market, such as luxury retail products versus everyday consumer goods.

Determining the specific market size for your product or service can be a bit tricky. This figure is what your sales would be if you were the only business in the market. You can calculate the market size by multiplying the estimated number of potential buyers for your offering, times the amount of money they are willing to spend.

If you get stuck on determining the market size or getting other industry data, there are helpful resources. For example, [IBIS World](#) offers many industry guides that include in-depth information on particular industries.

Depending on the information that apply to your business, here are some of the subsections you might include:

Industry Analysis

This can include total revenue, staff, number companies, average growth rate and profitability. As noted, the [Australian Bureau of Statistics](#) and [IBIS World](#) offer information about a range of Australian industries.

Other factors to include in your industry analysis include economic cycles and seasonality, economic, legal and political factors, social and cultural factors, and technological factors.

Market Analysis

Get as much information on your target customer as possible. This will include demographic data such as their age, gender, income, location, education and marital status. Some marketers suggest that you create what's called a marketing or buyer 'persona'. For example, 'Mary Jones is 48 years old, married and has two kids. She lives in the inner suburbs of Melbourne and buys my product online, four times a year because she hosts a street party.' Having this persona in mind will sharpen your focus when developing your offering and marketing it.

The customer analysis also needs to explain why the customer wants or needs what you are offering. What aspects of your product or service connects with them? Is it the quality, price, speed of delivery, comfort, value or some other aspect that stands out for customers?

Based on the information available and the type of products or services you offer, subheadings might include: Customer Demographics, Geographical Locations Served, Customer Lifestyle, Buying Factors, Marketing Size, Trends and Needs, and Market Growth.

Competitor Analysis

When writing this section of the business plan, you look at two types of competitors: direct and indirect. A direct competitor fulfils the same wants or needs that you are trying to fulfil. For example, if you sell men's formal clothing, other companies selling men's formal clothing are your direct competitors. In this section, you will want to identify who your direct competitors are and what their strengths and weaknesses are.

An indirect competitor provides a different offer but fulfils the same needs of the customer. In the example above, an indirect competitor could be a company that hires men's formal clothing. As before, you will want to identify who your indirect competitors are and what their strengths and weaknesses are.

As part of your Competitor Analysis, identify your competitive advantages when compared to your direct and indirect competitors. In particular, what is it about your product or service that will enable you to compete against direct and indirect competitors? Answering this question will strengthen your case in your business plan to help you get your business loan.

Potential subsections to include are:

- **Competitive Environment** – Who are the main competitors, what do they offer and what is their share of the market.
- **Competitive Advantage** – What is your competitive advantage over your rivals? How can you use this to build success in your market.
- **Internal Strengths** – What are your greatest business assets? This could include proprietary knowledge, specialised staff, superior processes, etc.
- **Market Share and Distribution** – What is your market share? How does it compare to your competitors'? Which locations are you servicing in comparison to your competitors?
- **Strategic Opportunities** – What opportunities and gaps in the market exist that can be leveraged to reach the business's goals?
- **Barriers to Market Entry and Exit** – What are the barriers to entering the market? They could be capital, licensing, networks and/or other factors. What are barriers to exiting the market? This could be legal partnership agreements, highly specialised assets and high exit costs.

Sales and Marketing Plan

The marketing plan section is considered to be one of the most important parts of a business plan. In fact, some organisations have a separate marketing plan that goes into more detail. While the previous section described the market, this section covers how you will connect and sell to the market.

In the introduction, you cover the fundamentals including the target market segments you want to market to, the channels you will use to market to them, and the timeframe for capturing your share of the market.

In that marketing plan, explain your pricing in detail and how it compares with your direct and indirect competitors. Explain where your product stands in the market. Is it at the high end, low end, or somewhere in between? Explain how your branding fits with the pricing you have chosen.

Discuss your plans for promotion, including the steps you will take to attract new customers. Whatever form of promotion you choose – social media, pay per click ads, SEO, TV ad or media releases – explain how and why you will use it.

Also include a distribution plan. This part answers how customers will buy from you. Will it be from a physical location and/ or online? You could also sell a product that is fulfilled by a third-party supplier. Whatever form of distribution you plan to use, explain how it will work in detail.

Potential sections include:

- **Market Segmentation** – discuss how your product/ service meets the unmet demand of your target customers and how you will segment your market; options include by geography, product-user, lifestyle or a combination of these.
- **Targeting Strategy** – the markets you will focus on and how you will target them.
- **Positioning Strategy** – the positioning of your product or service in comparison with your competitors. How is your offering similar to and different from that of your competitors?
- **Pricing Strategy** – the level of your prices in comparison with other products and services on the market. What is the rationale behind the pricing chosen?
- **Promotion and Advertising Strategy** – methods of advertising and promotion, their costs and why they were chosen.
- **Sales Strategy and Forecasts** – how will the product/ service be sold and distributed? What are the forecasted sales resulting from these efforts?
- **Company Message and Image** – What is the company's style of communication and how does it present itself (branding)? Why was this chosen?

For more information on marketing, see [A Short Guide to Small Business Marketing](#).

Company Management

The management team section of your business plan details the current team members, future management roles and board members. For current management team members, include short profiles outlining skills and experience, achievements and relevant education. The aim of the profiles is to show that the management team members have what's needed to lead the business successfully.

The following questions are helpful for creating profiles of owners and managers:

- What is your official title?
- What do you do in your role?
- What are your areas of specialisation?
- How long have you worked for/ managed the company?
- When did you start in the industry?
- What's the most rewarding part of your job?
- What are some of your notable previous employers and roles?
- What is your educational/ training background? Include qualifications and institutions, professional certifications and awards received.
- What specialised skills, knowledge and/or talents do you use in your work?
- Which professional associations/industry groups do you belong to?
- What are your most notable work-related achievements and/or awards received?
- What are your interests and hobbies outside of work (sport, family, community activities, volunteering, etc)?

Additional management roles might be needed in the future as the business grows. Explain what these roles will be and when they will be required as the business expands. For a larger business, you can include a company organisation chart.

If you plan to have a board of directors or advisors, include their names in this section as well.

Operations Plan

The operations plan section of the business plan includes key operational processes and the milestones you plan to reach.

Key operational processes are the functions that must be carried out for the business to run properly. For example, will you have a sales department? If so, what are the key functions and roles of this department? For continuity and consistency, some businesses create a policies and procedures manual that details the company's policies and procedures required to run the business. This makes it possible to keep the business running if a key manager or employee leaves the business and takes their operational knowledge with them.

In the milestones section, you include the important goals you want to achieve and when you plan to achieve them by. These goals can include things like launching a new product, creating a new service or expanding to a new location.

Sections of the Operations Plan section of your business plan can include:

- **Operations Strategy** - how operations fulfill your marketing strategy
- **Scope of Operations** - determining which tasks will be conducted in-house and what will be outsourced. Defining relationships- partners, resellers, suppliers and others.
- **Location, Facilities and Equipment** - outlining requirements and explaining what is needed to meet them.
- **Personnel** - details of personnel required including numbers, types of roles, current staff, remuneration, acquiring new employees, onboarding and training.
- **Production** - how you produce your products or deliver your services, including quality control and customer service.
- **Operations Expenses** - itemised operating costs, cost controls, administrative and financial controls.
- **Legal Requirements** - legal requirements, including licensing and permits; OHS and environmental requirements; industry and professional regulations, building code requirements, insurance requirements; and copyrights, trademarks and patents.
- **Inventory** - managing and storing inventory to meet customer or production demands.
- **Suppliers** - list your suppliers, their contact details, what they provide, and alternatives if they can't meet your requirements.
- **Credit Policies and Procedures** - this outlines how, when and who you will provide credit to. A lack of effective credit policies and procedures can lead to cash flow problems and bad debt. Get more information in [How to Protect Your Business with Credit Policies and Procedures](#).

Financial Plan

This section goes into detail about the financial aspects of the business and includes a revenue model, key financial figures, the amount of funds needed and how you will use them.

The revenue model explains how you plan to generate revenue for the business. You could generate revenue from selling products or services, or both. Be clear on how revenue will come into your business.

Key financial figures include projected revenues, expenses and net income over the next five years.

If you sell products or services, you can also include the highlights of a [breakeven analysis](#) to demonstrate the sales volumes required to reach profitability. The complete breakeven analysis can be included in the Appendix.

When seeking a business loan, lenders will want to know how much money you want and what you plan to do with it for starting or growing your business, so this information is an essential part of your business plan.

Key financial statements often found in small business plans include the [Balance Sheet](#), [Profit and Loss Statement](#) (also called an Income Statement) and [Cash Flow Statement](#). These complete documents are not usually included in the Financial Plan section but in the Appendix

Here are a few free templates you can use to create your financial statements.

- [Balance Sheet Template](#)
- [Profit & Loss Statement Template](#)
- [Cash Flow Statement Template](#)

Besides future projections, you will want to include your financial history and current [financial ratios](#) that show your overall financial health.

Appendix

In this section, you include all supporting documentation not included in the main parts of the business plan. This includes detailed financial information (such as the balance sheet, income statement and cash flow statement). Include any other documentation that will support your plan, such as key customer lists, awards received, and intellectual property owned by the business.

Financial documents

- Financial history documents
- Financial ratios and projections
- Break-even analysis
- Balance sheet
- Income statement
- Sales forecast
- Cash flow statement

Marketing documents

- Printed brochures, company profiles and capability statements
- Market research data and reports
- Customer surveys

Operations documents

- Policies and procedures
- Credit policies and procedures