



THE EASY STEP-BY-STEP BUSINESS PLAN STRUCTURE

Here is a step-by-step breakdown of what to include in your business plan for investors. This structure can also be used when crowd funding and seeking investment from friends, family and Angel Investors.

1. Executive Summary

The Executive Summary is an introduction to the main ideas that you will discuss in the rest of the plan. If an investor reads only the Executive Summary and nothing else, you'd want them to be able to walk away with a clear understanding of the main highlights of your business and why it's exciting.

A good Executive Summary includes quick, one to two sentence overviews of the following information: mission statement, product/service summary, market opportunity summary, traction summary, next steps, and vision statement.

***Pro tip:** Although the Executive Summary comes first, it is often helpful to write it last because you will have worked through everything by then.*

2. Investment Opportunity

The Investment Opportunity section is where you tell investors what your goals are, why they are integral in helping you achieve those goals, and what they can gain from getting involved with your company. This includes:

1. **Your Funding Goal:** How much money do you need to move forward.
2. **Terms:** What will investors get in exchange for their investment?
3. **Use of Funds:** How do you plan to use those funds? (Hint: a 6-figure salary for yourself is not what they're looking for here).
4. **Milestones:** What will you be able to achieve with their investment?

Again, the most important question to answer here is why: Why should investors want to be a part of your company, and why is now the time for them to get involved? Identify the three to four key factors that make your company a great opportunity and make sure they are included in this section.

3. Team Overview

This is where you introduce your team and how you will work together to bring the business to life. An ideal Team Overview section makes the case not only that your team is the right team for the job, but that you are the only team for the job.



In order to do this, you need to create a bio for each member of the team. Each team bio should include: the team member's name; their title and position at the company; their professional background; any special skills they have developed as a result of their experience; their role and responsibilities at your company; and what makes them uniquely qualified to take that role on.

Pro Tip: *This is not the time or place for cheesy fun facts or hobbies. Aim for three to five concise sentences on each team member.*

4. Market Opportunity

Before you do a deep dive into what your company does, it is important to set the stage and provide readers with some insight about why you are starting this company in the first place. A good market opportunity section addresses two key points: The problem that your product/service solves, and the industry trends that make now the time for your company to succeed.

When writing the “problem” part of this section, consider two questions: What problems do your target customers face that your product/service solves? What annoyances or inconveniences do they face that your company helps to eliminate?

When writing the “trends” section, consider these three questions: What recent emerging trends have you developed your product/service in response to? Are there any new or emerging technologies that make your product/solution possible? Are there any specific brands you can point to that illustrate the demand for products/services like (but not too like) yours?

And to sum it all up, write a conclusion that answers this question: How do the problems customers face and the trends that are happening come together to create the perfect environment for your company to succeed?

5. Company Synopsis

The company synopsis section is where you introduce readers to your company and what you have to offer. This is the easy part: It is where you get to talk about what you're doing and why it's awesome.

Consider these questions if you are having trouble getting started: What does your company do? How does it solve the problem you have previously outlined? What products and services do you offer? How will customers use your product/service? What are the key features? What makes your product/service different from anything currently available?

6. Revenue Model

This is where you answer the age-old question of any business: How does your company make money? Identify all current/initial revenue sources, including pricing, COGS, and margins.



Ask yourself: Why is this revenue model the right fit for your current stage? How does your pricing compare to competitors? Are there additional revenue sources you plan to add down the line? If you have not started generating revenue when & how will you “flip the switch”?

7. Traction/Company Milestones

It is important for investors to see that your business is more than just an idea on a cocktail napkin; it's an actual, viable business. Traction is a huge part of making that case.

Here are some key categories of traction that signal to readers that your company is making moves.

1. **Product Development:** Where are you in the process? Is your product in the market?
2. **Manufacturing/Distribution:** Do you have an established partner for production/manufacturing? Distribution?
3. **Early Customers and Revenue:** Do you have existing customers? How many? And how fast are you growing? Have you started generating revenue?
4. **Testimonials and Social Proof:** Do you have any positive client reviews of your product/service? Any high-profile customers or industry experts?
5. **Partnerships:** Have you secured partnerships with any established brands?
6. **Intellectual Property:** Do you have any patents for the technology behind your company? Is your company name trademarked?
7. **Press Mentions:** Has your company been featured by any media outlets? Which ones?

8. Industry Analysis

The industry analysis section provides a bird's eye view of the industry your company is positioned in, what is happening in the industry, and where your company stands in relation to your peers. You want readers to walk away from your business plan seeing not only that you are an expert in your company but that you're highly knowledgeable about the industry you're entering into.

Be intentional about the statistics you include in the plan. Include only numbers that really help to illustrate: the size of the opportunity your company is positioned to address; the demand for your solution; the growth of the audience/demand for your product that is already happening; and competitor analysis.

Now that you have introduced readers to your industry, it's time to give them a glimpse into the other companies that are working in the same space, and how your company stacks up. Identify at least three sources of competition for your company and answer the following questions about each one:



1. **Basic Info:** Where are they based? What stage of growth are they in?
2. **Traction:** How much revenue do they generate? How many customers do they have? Have they received funding?
3. **Similarities and Differences:** What are their strengths? How do you plan to neutralize them? What are their weaknesses? How is that an advantage to you?
4. **The Takeaway:** What can you learn from your competitors to make your company stronger?

***Pro tip:** When identifying competitors, it is important to think outside the box, and look beyond companies that are offering the exact same product or service that you are. A skimpy competitor analysis section does not tell investors that your solution is unrivalled — it tells them that you're not looking hard enough.*

9. Differentiating Factors

The differentiating factors section is where you outline how your product/service is different from others on the market and how those differences will help you to maintain your strategic edge. Ask yourself: What are three to five key differentiators between your company and other solutions out there? How will these advantages translate into a long-term advantage for your company?

10. Target Audience

The target audience section is where you show readers that you know who your audience is, where they are, and what is important to them. (Refer back to the [Marketing Minicourse](#) to get clear on how to define your ideal target customer)

Some questions to help you get started include: Who are the people that your product/service is designed to appeal to? What do you know about customers in this demographic? Is your target audience skewed towards more male or more female consumers? What age range do your target customers fall in? Around how many people are there in this target demographic? Where do your target customers live? How much money do they make? Do they have any particular priorities or concerns when it comes to the products/services they buy?

11. User Acquisition and Marketing Strategy

Now that we know who your customers are, the next question is: How do you plan on attracting them?

Ask yourself: How will you get your first customers? Who will you target first? Will you introduce your product in certain key geographic locations? Are there any existing brands that you are planning to partner with? How do you plan to raise awareness for your brand? What forms of media will you use? Why? Do you have a presence on social media? Which platforms do you use and why?



Essentially, what is your marketing strategy? (Refer back to the [Marketing Minicourse](#) to get clear on how to define your marketing strategy)

12. Future Growth and Development

Once you have accomplished all the short-term goals, built out your initial product offering, and acquired your first customers — what will you do to grow your business from there?

Ask yourself: Do you have any new products in the pipeline? How will these new products enhance your current offerings? Are you planning to expand into new markets (new cities, new demographic categories)? Can you provide a timeline of when you expect each new development to take place? What metrics or conditions will help you to decide when it is time to move forward? What are some potential exit strategies for your company down the road? Will you seek acquisition by a larger company? Do you plan to take the company public with an Initial Public Offering?

13. Financial Overview

Financial data is always at the end of the business plan, but that does not mean it's any less important. In fact, poor financials can rip apart anything you initially had going for you. The charts, tables, and formulas in your financial section show an investor how well you are doing and what your odds are for continued survival.

The three most important things to include are: cash flow statement, income statement, and your balance sheet. While these three things are related, they measure quite different aspects of a company's financial health. (Refer back to the [Business Finance Minicourse](#) to get clear on how to create your cash flow statement and seek advice from an Accountant to help you prepare your Income statement and Balance Sheet.)