



## Big iDeas Business Plan Competition

### BUSINESS PLAN TEMPLATE (7-PAGE)

This template, adapted from Forbes.com, is a 7-page plan that contains ten sections. Each section is dedicated to essential information needed for writing the well thought out business plan.

Follow the outline to organize your thoughts and answer key questions needed to start and grow a successful business. Complete the sections one at a time to finish your entire plan effectively.

Use the **Where should you look?** sections to access resources available through SMU Libraries. You will be making assumptions, but need valid sources to justify them. If you need assistance with finding appropriate resources, [Ask a Business Librarian](#).

#### PAGE 1

##### **Section I: EXECUTIVE SUMMARY** - *Keep to one page!!!*

The Executive Summary is the most important part of your business plan. It must capture the readers' interest, or they will never get through rest of your plan.

Start your Executive Summary with a brief and concise explanation of what your company does.

Next, explain why your company is distinct from other competing businesses and qualified to succeed. For example, does your management team have unique competencies? Do you have patents? Are you the first mover in your market? Does a huge, unmet market opportunity exist? Do you have other compelling attributes?

Finally, include a synopsis of your financial projections. Specifically, include your expected revenues, expenses and profits for each of the next five years, how much funding you are seeking, and the key uses of these funds.

## Section II: COMPANY OVERVIEW

The **Company Overview** provides a brief history of your company and answers questions such as when and how your organization was formed, what type of legal entity you are, and any accomplishments to date.

Importantly, your past accomplishments are the best indicator of potential future success, so be sure to identify and include all key milestones your company has achieved.

## Section III: INDUSTRY ANALYSIS

1. **Market Overview:** The Market Overview section discusses the size and characteristics of your market. For example, if you are a restaurant, you would include the size of the restaurant market, a brief discussion of sectors (e.g., fast food versus fine dining) and market trends.
2. **Relevant Market Size:** The relevant market size is a much more specific calculation of your market size. It is the annual revenue your company could attain 100% market share. Your relevant market size is calculated by multiplying the number of customers who might be interested in purchasing your products and/or services each year by the amount these customers might be willing to spend, annually, on your products and/or services.

### **Where should you look?**

- A. **IBISWorld** – Search by existing company, industry keywords, or NAICS codes (more on industry codes available [here](#)).
- B. **Mergent Intellect** – Search by existing company in search box and then select the Industry Details tab to find First Research reports. You can also select **First Research** from the main page, click Submit, and then search for industry keywords or NAICS codes.
- C. **Mintel** – Search for consumer-focused markets by keyword or look through the lists of reports by category.

Try all the sources listed in the [Industries and Markets Research Guide](#). Different resources will vary in usefulness depending on the industry and market you are researching.

If you need a specific *market share*, try [Business Insights: Global](#). Use Advanced Search, enter Market Share Reporter as a publication title and your keyword(s) as a search term.

## Section IV: CUSTOMER ANALYSIS

1. **Target Customers:** Your target customers section defines current and/or intended customers. Identify your customers by including as much demographic data on your target customers as possible, such as their gender, age, salary, geography, marital status and education.

### Where should you look?

- A. [U.S. Census Bureau's Search Portal](#) – This site contains Census Bureau data for both people and businesses. Use the Advanced Search to select multiple desired categories.
- B. [Simmons Insights](#) – Includes market research results on a wide-range of consumer products with cross-tabs for specific demographic groups. View this online guide that offers some quick start training as well as example research queries.

Try all the sources listed in the [Demographics Research Guide](#). Different resources will vary in usefulness depending on the consumer characteristics you are researching.

1. **Customer Needs:** Specify why customers want or need your products and/or services. What do customers care about the most? Is it speed, quality, location, reliability, comfort, price, value or another important experience, other? Provide details.

### Where should you look?

- A. [Mintel](#) – If there is a report for a product similar to yours, look at the *Consumer* section of the report. The *Lifestyles* reports may contain needs information that pertains to your target customer demographic.

## Section V: **COMPETITIVE ANALYSIS**

1. **Direct Competitors:** Direct competitors are companies that target the same customers as your company. For example, if you operate an Italian restaurant, other Italian restaurants would be direct competitors. If you have direct competitors, outline who they are and their strengths and weaknesses.

### Where should you look?

- A. [Mergent Intellect](#) – Search for an existing company to find varying amounts of information depending upon size and status.
- B. Read about the availability of [private company information](#) and try sources such as articles.

Try all the sources listed in the [General Company Research Guide](#). Different resources will vary in usefulness depending on the companies you are researching

2. **Indirect Competitors:** Indirect competitors are companies that address the same targeted market but with a different solution. For example, if you operate an Italian restaurant, a French restaurant would be an indirect competitor. If you have indirect competitors, outline who they are and their strengths and weaknesses.

### Where should you look?

Follow the same steps as for Direct Competitors, above.

3. **Competitive Advantages:** Importantly, identify your competitive advantages. Specifically, state what is it about your company that will allow you to effectively compete (and win) against both direct and indirect competitors.

## Section VI: MARKETING PLAN

1. **Products & Services:** Describe and detail the products and/or services your company offers.
2. **Pricing:** Describe and detail how you plan to price your products and/or services. In particular, define how your pricing relates to competition. For example, why are your products a premium brand, a low-cost brand or somewhere in the middle. Also, discuss your expected branding based on your chosen pricing model.
3. **Promotion Plan:** Detail your strategy to attract new customers. For example, you might choose radio advertising, or online pay-per-click ads, or press releases, and so on. Describe each form of promotion you will use and why you will use it.

### **Where should you look?**

- A. **WARC** – Click on Topics to find articles on Brands, Campaigns, Media Strategy, and more.
  - B. Find [Social and Online Media](#) resources in the [Marketing Research Guide](#).
4. **Distribution Plan:** A distribution plan outlines the ways in which customers buy from you. It could be that customers only buy directly from you; at your physical location or from your web address. Or your business might use distributors or partners to sell your products or services. Describe and detail this structure.

## Section VII: OPERATIONS PLAN

1. **Key Operational Processes:** *Understanding your key processes clarifies the organization you hope to build.* These are the daily functions that your business must conduct to ensure quality product or service outcomes. This requires you to define how you will:
  - effectively source, move, store and inspect your raw materials;
  - make sure that production is efficiently produced and with no waste;
  - design your distribution-channels (i.e., from the same place as production or from a secondary location that stores and ships, etc.);
  - successfully deliver your product or service to your customer.

### **Where should you look?**

- A. Sources on the [Customers & Suppliers](#) research guide page may help you determine the items you need to consider.
2. **Milestones:** List the key milestones you hope to achieve in the future and the target dates for achievement. Set goals for specific and critical undertakings, such as when your product or service will be created and launched, when you plan to execute new partnerships or other major goals.

## Section VIII: MANAGEMENT TEAM

1. **Management Team Members:** Detail management team members and their backgrounds.
2. **Management Team Gaps:** If you are a startup venture, you will, likely, have holes in your team and roles that you'd like to fill later. Identify such roles here, the qualifications of the people you will seek and when you intend to complete your team.
3. **Board Members:** If you maintain plan to maintain a Board of Advisors or Board of Directors, list your Board Members here and also include their bios.

## Section IX: FINANCIAL PLAN

1. **Revenue Model:** As simple as it seems, knowing your revenue model gives clarity one on how to generate profit. How will you make money? Do you sell products? Do you sell advertising space? Do you sell by-products, like data? Do you sell all of the above?
2. **Financial Highlights:** Your full financial model (income statement, balance sheet and cash flow statement) belong in the Appendix (Section X). In this section, only include highlights such as revenues, key expenses, and projected net income for the next five years.

### **Where should you look?**

- A. **[Mergent Online](#)** - Find a public company with a similar structure to yours and look at how the financial statements are arranged.
3. **Funding Requirements/Use of Funds:** If you are seeking funding for your company, detail the amount here, and describe what you will do with those funds.
4. **Exit Strategy:** This is where you meet your goal, sell your business or otherwise leave your business. This is particularly important if you are seeking equity funding. Describe your expected exit strategy. The most likely exit strategy is to sell your company to a larger firm. If so, detail the types of firms that might be interested in purchasing you and why. If applicable, list specific names of those who could, potentially, acquire your business.

### **Where should you look?**

- A. Use the **[Starting a Business Research Guide](#)** to assist with **[Valuation](#)**.

## Section X: APPENDIX - Supporting Documentation

Include your full financial model (income statement, balance sheet and cash flow statement) belongs in your appendix. Likewise, include any supporting documentation that will help convince readers that your company will succeed. For example, include customer lists, awards, patents received and other pertinent information.

### **Where should you look?**

See Financial Highlights above for financial statements.