**Business Plan**

A business plan is vital to the success of a new solo practice. Have you made a business plan? You should consider the following (and more) when you are writing the business plan for your new solo practice.

- What is my monthly budget?
- What is an effective marketing plan?
- Research cost and location of office space.
- What areas of practice am I interested in?
- Whom will I serve? (Example: Moderate to low income clients)
- What is the viability of my new solo practice?

For further information please refer to our guide on writing your comprehensive business plan.

Examples of actual business plans can be found at:

[http://www.ceoclubs.org/section/resources.php](http://www.ceoclubs.org/section/resources.php)
**How to Prepare a Comprehensive Business Plan**

1. **Executive Summary**

   The executive summary is the most important section of a business plan; it explains the mission of the company, its strategic initiative and direction, as well as the core competence behind the set of activities. To further develop your chances of successful financing, the executive summary functions as the first opportunity to grab a potential investor’s interest. Although this section highlights the strength of your overall plan it has to be the last section you write. This section would be the first document appearing in the business plan.

   **What to Include in Your Executive Summary**

   Since you will be a startup business, you won't have as much information as an established company. Instead, focusing on your legal education, areas of expertise and background, as well as the decisions that led you to start this particular enterprise are of most importance. Demonstrate that you have done thorough market analysis. Include information about a need or gap in your target market, and how your particular solutions can fill it. Convince the reader and the investor that you can succeed in your target market, and then address your future plans.

2. **Company Description**

   The first section of your business plan provides a high-level review of the different elements of your business. This can help readers and potential investors quickly understand the goal of your business and its unique proposition. Please note that proposition refers to a combination of products or services a firm promises to deliver to its intended target market.

   **What to Include in Your Company Description**

   - Describe the nature of your business and list the marketplace needs that you are trying to satisfy.
   - Explain how your products and services meet these needs.
   - List the specific consumers, organizations or businesses that your company serves or will serve.
   - Explain the competitive advantages that you believe will make your business a success such as your location, expert personnel, efficient operations, or ability to bring value to your customers.

3. **Market Analysis**

   The market analysis section of your business plan should illustrate your industry and market knowledge as well as any of your research findings and conclusions about the particular segment you are to serve. This section is usually presented after the company description and is to clarify your intended target markets.

   **What to Include in Your Market Analysis**

   **Industry Description and Outlook** – You have to clearly describe your industry, including its current size and historic growth rate, as well as other trends and characteristics that are unique to that intended target market (e.g., life cycle stage, projected growth rate). Thereafter, you have to list the major customer groups within your industry and analyze each specifically.
Information About Your Target Market – Narrow your target market to a manageable size using demographic analysis. Many businesses make the mistake of trying to appeal to too many target markets. Research and include the following information about your market:

Distinguishing characteristics – What are the critical needs of your potential customers? Are those needs being met? What are the demographics of the group and where are they located? Are there any seasonal or cyclical purchasing trends that may impact your business? Who will be influenced by your services and how are you going to offer a set of benefits to them?

Size of the primary target market – In addition to the size of your market, what data can you include about the annual purchases your market makes in your industry? What is the forecasted market growth for this group? For more information, see our market research guide for tips and free government resources that can help you build a market profile.

How much market share can you gain? – What is the market share percentage and number of customers you expect to obtain in a defined geographic area?

Pricing and gross margin targets – Define your pricing structure, gross margin levels, and any discount that you plan to use.

When you include information about any of the market tests or research studies you have completed, be sure to focus only on the results of these tests. Any other details should be included in the appendix.

Competitive Analysis – Your competitive analysis should identify your competition by product line or service and market segment. Assess the following characteristics of the competitive landscape:

- Market share
- Strengths and weaknesses
- How important is your target market to your competitors?
- Are there any barriers that may hinder you as you enter the market?
- What is your window of opportunity to enter the market?
- Are there any indirect or secondary competitors who may impact your success?
- What barriers to market are there (e.g., changing technology, high investment cost, lack of quality personnel)?

4. Organization & Management

Organization and Management follows the Market Analysis. This section should include: your company’s organizational structure, details about the ownership of your company, profiles of your management team, and the qualifications of your board of directors, if one is formed. You should clearly define positions and authorities in your newly established company. What is their background and why are you bringing them into the business as board members or employees? What are they responsible for? These may seem like unnecessary questions to answer in a one- or two-person organization, but the people reading your business plan want to know who’s in charge. Give a detailed description of each division or department and its function.

This section should include who’s on the board (if you have an advisory board) and how you intend to keep them there. What kind of salary and benefits package do you have for your people? What incentives are you offering? How about promotions? Reassure your reader that the people you have on staff are more than just names on a letterhead.

Organizational Structure
A simple but effective way to lay out the structure of your company is to create an organizational chart with a narrative description. This will prove that you’re leaving nothing to chance, you’ve thought out exactly who is doing what, and there is someone in charge of every function of your company. Nothing will fall through the cracks, and nothing will be done three or four times over. To a potential investor or employee, that is very important.

Ownership Information
This section should also include the legal structure of your business along with the subsequent ownership information it relates to. Have you incorporated your business? If so, is it a C or S corporation? Or perhaps you have formed a partnership with someone. If so, is it a general or limited partnership? Or maybe you are a sole proprietor.

The following important ownership information should be incorporated into your business plan:

- Names of owners
- Percentage ownership
- Extent of involvement with the company
- Forms of ownership (i.e., common stock, preferred stock, general partner, limited partner)
- Outstanding equity equivalents (i.e., options, warrants, convertible debt)
- Common stock (i.e., authorized or issued)
- Management Profiles

Experts agree that one of the strongest factors for success in any growth company is the ability and track record of its owner/management team, so let your reader know about the key people in your company and their backgrounds. Provide resumes that include the following information:

- Name
- Position (include brief position description along with primary duties)
- Primary responsibilities and authority
- Education
- Unique experience and skills
- Prior employment
- Special skills
- Past track record
- Industry recognition
- Community involvement
- Number of years with company
- Compensation basis and levels (make sure these are reasonable -- not too high or too low)

Be sure you quantify achievements (e.g. "Managed a sales force of ten people," "Managed a department of fifteen people," "Increased revenue by 15 percent in the first six months," "Expanded the retail outlets at the rate of two each year," "Improved the customer service as rated by our customers from a 60 percent to a 90 percent rating")

Also highlight how the people surrounding you complement your own skills. If you're just starting out, show how each person's unique experience will contribute to the success of your venture.

Board of Directors' Qualifications

The major benefit of an unpaid advisory board is that it can provide expertise that your company cannot otherwise afford. A list of well-known, successful business owners/managers can go a long way toward enhancing your company's credibility and perception of management expertise.

If you have a board of directors, be sure to gather the following information when developing the outline for your business plan:

- Names
- Positions on the board
- Extent of involvement with company
- Background
- Historical and future contribution to the company's success

5. Service or Product Line
Once you’ve completed the Organizational and Management section of your plan, the next part of your business plan is where you describe your service or product, emphasizing the benefits to potential and current customers. Focus on why your particular product will fill a need for your target customers.

**What to Include in Your Service or Product Line Section**

**A Description of Your Product / Service**
Include information about the specific benefits of your service – from your customers’ perspective. You should also talk about your service’s ability to meet consumer needs, any advantages has over that of the competition.

### 6. Marketing & Sales

Once you’ve completed the Service Line section of your plan, the next part of your business plan should focus on your marketing and sales management strategy for your business.

Marketing is the process of creating customers, and customers are the lifeblood of your business. In this section, the first thing you want to do is define your marketing strategy. There is no single way to approach a marketing strategy; your strategy should be part of an ongoing business-evaluation process and unique to your company. However, there are common steps you can follow which will help you think through the direction and tactics you would like to use to drive sales and sustain customer loyalty.

An overall marketing strategy should include four different strategies:

- A market penetration strategy.
- A growth strategy. This strategy for building your business might include: an internal strategy such as how to increase your human resources.
- Communication strategy. How are you going to reach your customers? Usually a combination of the following tactics works the best: promotions, advertising, public relations, personal selling, and printed materials such as brochures, catalogs, flyers, etc.

After you have developed a comprehensive marketing strategy, you can then define your sales strategy. This covers how you plan to actually sell your product.

### 7. Funding Request

If you are seeking funding for your business venture, use this section to outline your requirements.

Your funding request should include the following information:

- Your current funding requirement
- Any future funding requirements over the next five years
- How you intend to use the funds you receive: Is the funding request for capital expenditures? Working capital? Debt retirement? Acquisitions? Whatever it is, be sure to list it in this section.
- Any strategic financial situational plans for the future, such as: a buyout, being acquired, debt repayment plan, or selling your business. These areas are extremely important to a future creditor, since they will directly impact your ability to repay your loan(s).

When you are outlining your funding requirements, include the amount you want now and the amount you want in the future. Also include the time period that each request will cover, the type of funding you would like to have (e.g., equity, debt), and the terms that you would like to have applied.
To support your funding request you’ll also need to provide historical and prospective financial information. Once you have completed your funding request, move on to the next part of your plan – Financial Projections.

8. Financial Projections

Financial Projections

You should develop the Financial Projections section after you've analyzed the market and set clear objectives. That's when you can allocate resources efficiently. The following is a list of the critical financial statements to include in your business plan packet.

Prospective Financial Data

All businesses whether startup or growing, will be required to supply prospective financial data. Most of the time, creditors will want to see what you expect your company to be able to do within the next five years. Each year's documents should include forecasted income statements, balance sheets, cash flow statements, and capital expenditure budgets. For the first year, you should supply monthly or quarterly projections. After that, you can stretch it to quarterly and/or yearly projections for years two through five.

Make sure that your projections match your funding requests; creditors will be on the lookout for inconsistencies. It’s much better if you catch mistakes before they do. If you have made assumptions in your projections, be sure to summarize what you have assumed. This way, the reader will not be left guessing.

Finally, include a short analysis of your financial information. Include a ratio and trend analysis for all of your financial statements (both historical and prospective). Since pictures speak louder than words, you may want to add graphs of your trend analysis (especially if they are positive). Next, you may want to include an Appendix to your plan. This can include items such as your credit history, resumes, letters of reference, and any additional information that a lender may request.

Sample business plans with similar ideas can be found at the following: