

Executive Summary

Even though it appears first in your plan, write your executive summary last so you can condense essential ideas from the other 9 sections.

For now, leave it as a placeholder.

The executive summary lays out all the vital information about your business within a relatively short space; typically, one page or less.

It's a high-level look at everything and summarizes the other sections of your plan.

Briefly tell your reader what your company is and why it will be successful. Include your mission statement, your product or service, and basic information about your company's leadership team, employees, and location. You should also include financial information and high-level growth plans if you plan to ask for financing.

- For [target] customers
- Who are dissatisfied with [current solutions]
- Our [product or service] solves [key customer problems]
- Unlike [competing product], we have [differentiating key features]

Example: Market research indicates an increasing number of wealthy consumers in Cleveland are interested in landscape architecture based on sustainable design. However, high-end firms in the area are scarce. Currently, only two exist—neither of which focuses on eco-friendly planning nor are certified by green organizations. Landscapers Inc. provides a premium, sustainable service for customers with disposable incomes, large yards, and a love of nature.

Company Description

A mission statement is your business' reason for existing. More than just what you do or what you sell; it's about why.

Think about what motivates you, what causes and experiences led you to start the business, the problems you solve, the wider social issues you care about, and more.

1. Mission Statement

a.) Purpose (what problem does your company solve for consumers?)

b.) Company Profile (product/service; who do you sell to; relevance to market)

c.) Competitor information; why you're better

- Without market research just yet, just an argument.
- Thesislike.

Don't worry about making your company history a dense narrative. Instead, write it like you would a profile.

2. Company History

- a.) Founding date and milestones
 - b.) Location(s)
 - c.) Leadership and number of employees
 - d.) Flagship products or services.
- Translate the list into one or two paragraphs

Business objectives give you a north star (system of guidance).

3. Business Objectives

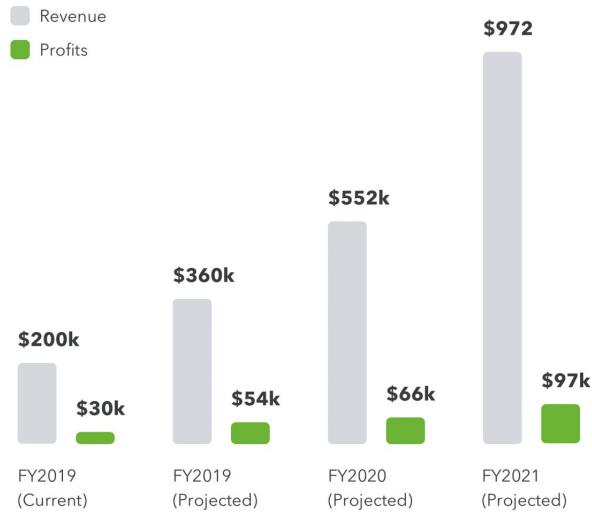
- These are a set of goals that must be SMART:
- a.) SPECIFIC:
 - b.) MEASUREABLE:
 - c.) ACHIEVABLE:
 - d.) REALISTIC:
 - e.) TIME-BOUND:

Example: Landscape Inc.'s mission is to change the face of our city through sustainable landscaping and help you create the outdoor living space of your dreams. Founded in 2019 by sisters Sherry and Shelly Smith, we have over 25 years of combined landscape-architecture experience. Our four employees work in teams of two and have already completed ten projects for some of Cleveland's most influential business and community leaders.

Our objectives over the next three years are to:

1. *Solidify a glowing reputation as a service-based business that always exceeds customer's expectations and honors the environment;*
2. *Complete at least 18 projects during year one, 24 in year two, and 36 in year three generated through word-of-mouth, referrals, and home shows;*
3. *Increase revenue from \$360,000 in FY2019 to \$972,000 in FY2021 based upon the financials of ten completed projects in the last nine months.*

Landscap Inc. growth objectives



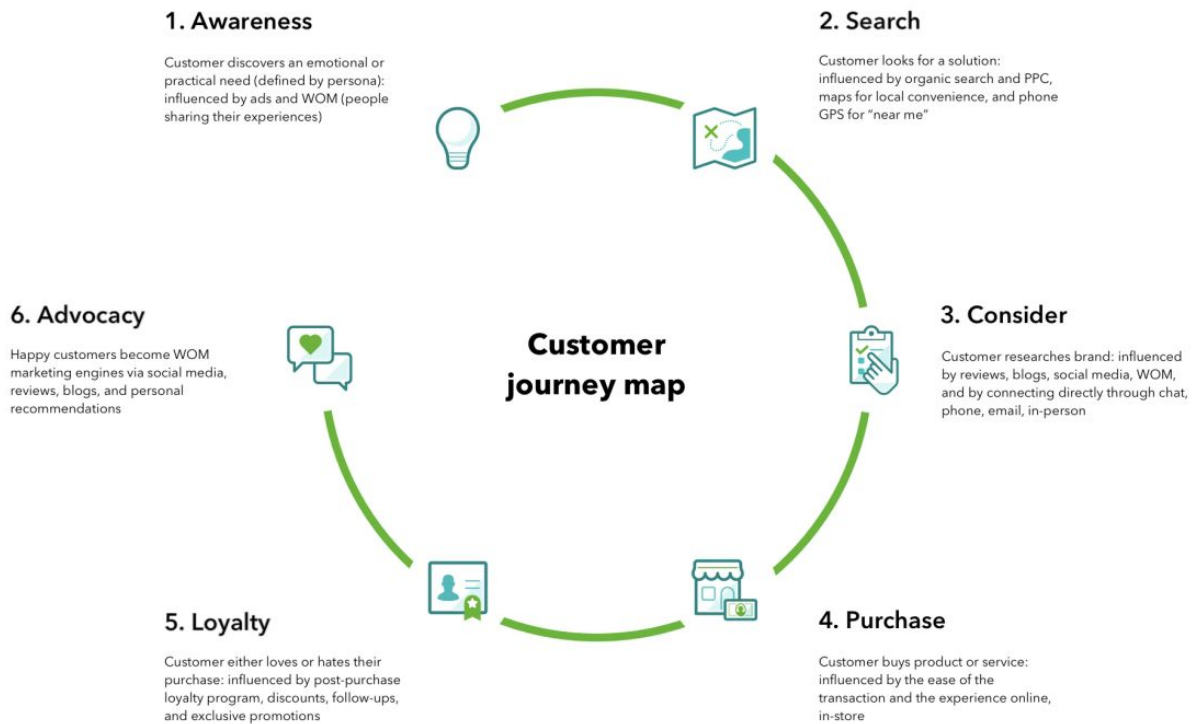
Market Research and Potential

Target markets (personas) identify demographic information.

1. Demographics:

a.) Location, income, age, gender, education, profession, hobbies, etc.

2. Customer's Journey Map



a.) Phase 1: Awareness

- It all starts with a need: someone experiences a real-world problem and becomes aware of something they're missing that could make life easier, better, or more enjoyable.

Try to see your customers' emotional buying journeys from their perspective.

Example: we're florists and our primary customer persona is "Eleanor the event planner."

She's in her mid-twenties, lives in a big city, and has a bachelor's degree in English literature. Eleanor works in a creative field as an administrative assistant and is making an entry-level salary: roughly \$43,000 a year.

WHAT DOES SHE NEED?

Eleanor is looking for a local florist to help her decorate her first office event—a baby shower for a colleague. The stakes are high because Eleanor has aspirations of becoming an event planner and wants to impress her boss who leads the event planning team.

She wants them to say something about who she is as a smart and savvy employee. As her vendor, you'll need to consider how you can impact Eleanor's overall post-purchase satisfaction.

How does she find out where to turn to meet this need?

Meet "Eleanor the event planner"

Sample persona for a florist customer journey map

Age	25-34 years old
Education	Bachelor's degree in English literature
Industry	Public relations
Business size	201-500 employees
Awareness (need)	<ul style="list-style-type: none"> » Order flowers for a colleague's baby shower » Impress her manager and co-workers » Get promoted to event planner
Search (tools)	<ul style="list-style-type: none"> » Google Maps and Yelp reviews » Personal recommendations, WOM » Social media, website, and in-store visit



b.) Phase 2: Search

- First, Eleanor enters "florist" into a search engine.
- Second, she talks to colleagues in her office.
- Third, she mentions it on social media.

Normally, shoppers turn to search engines or recommendations from a friend.

As a result, she gets multiple recommendations both online and offline.

- (Phases five and six in the customer journey diagram will help you here. Eleanor will get those recommendations from happy and loyal customers.)
- Google calls the discovery and research phases of the customer journey the "zero moment of truth."

RetailDive recently reported that 87% of shoppers begin their product research online.

In addition, **Forrester** found that 71% of consumers use a search engine at the beginning of their buying journey—to discover new products and services—and 74% during the consideration and transactional phases.

To be found, your first step is to create a business listing on Google. The search engine giant allows you to set up a free profile so you can be discovered both on Google Maps and Search.

After creating a Google business listing, your next step is to convince customers to write reviews. According to **BrightLocal**, 91% of consumers trust online reviews as much as they would a personal recommendation.

c.) Phase 3: Consider

- Once a customer has discovered your product or service, it's time to stand out from the rest.
- Special offers
 - Even if you don't have a physical sales presence, you can still offer free or special discounts to first-time customers to sweeten the deal. For example, many online retailers offer customers a 10% off coupon code for email sign-up.
- Knowledgeable and helpful salespeople
 - Nothing is more of a turnoff than a salesperson who ignores you or provides little value during a customer's interaction with your brand—at any point in the sales cycle. Consider incentives to get your staff to provide exceptional customer service.

Example: here's how Eleanor might approach the consideration phase:

- *She visits each company's website and social media page*
- *She checks out online reviews looking for the highest number of stars and ratings.*

Eleanor chooses a local florist whose Yelp and Google reviews are top-notch and has e-commerce capabilities in case she wants to order online later. For her first purchase, however, she wants to speak in-person with a salesperson anyhow to ensure they understand precisely what she needs. The shopkeeper is friendly, knowledgeable about creating bouquets for events, and makes her feel welcome. The shopkeeper recommends a few beautiful arrangements based on her budget. She also mentions she'll give Eleanor a 20% off coupon for her next purchase. Eleanor loves the shopkeeper's professionalism and

bouquet suggestion. She feels good about buying. She also wants that 20% off deal.

d.) Phase 4: Purchase

- If you sell your products or services online, read up on how to reduce shopping carts abandonment by optimizing your checkout.

The purchase or transactional experience of a buyer's journey is their second moment of truth. This is where they interact with your business as well as your competitors.

Example: Eleanor returns the next day to buy bouquets. The shopkeeper offers her a free cup of coffee and biscuits to enjoy while she waits for her order. The bouquets are beautiful: they look exactly like what Eleanor had imagined. They also each come with a free vase that matches the decor of the baby shower—the shopkeeper threw them in for free without telling Eleanor as a surprise. She gets her 20% off coupon, which is printed directly on her receipt. She is also delighted with the quick and easy transaction when she pays using her company credit card on a POS (point-of-service) terminal. Eleanor walks away feeling extremely satisfied with the florist and her overall shopping experience. Everyone in the office, her boss especially, gushes over the flowers, decor, and her hard work on the event.

The florist has done everything right: from a welcoming environment, having insights about events, putting the customer at ease, offering a deal that's easy to redeem, and making the transaction quick and painless. Long checkout forms or multiple checkout screens can frustrate customers. The same goes for unexpected shipping charges.

e.) Phase 5: Loyalty

- Depending on your budget and resources, you can start small or go big with loyalty programs.
- The simplest most effective cost-option is a printed card that you can stamp or mark with a pen for each purchase a customer makes.
- Many businesses incentivize their customers to provide referrals. According to Heinz Marketing and Influitive, that's important because 60% of companies have faster close rates when they have a referral program in place. Likewise, 71% achieve higher conversions from contact to customer.

If a customer makes it this far in their buying journey, they've reached the third moment of truth; they've become a loyal customer and want to buy from you again.

When their second and third purchase experiences are satisfactory, they're also likely to give referrals to other customers and advocate for your brand online.

Example: Eleanor goes back a month later to buy flowers for Mother's Day and uses the 20% off discount card. She also wants more free coffee and biscuits. The shopkeeper created yet another beautiful bouquet using her mom's favourite flowers and throws in a free card as another sweetener. She gives Eleanor a loyalty card to get a free bouquet after she buys 8 more. Eleanor's transactions are tracked in the shop keeper's loyalty rewards program via the store's POS system. This way, the florist knows where she is at all times in her buying

journey and can offer other special discounts and promotions to keep Eleanor as a loyal customer.

f.) Phase 6: Advocacy

- Positive buying experiences boost sales and retention
- Negative experiences send customers elsewhere.
- What's the value of a loyal customer and advocate like Eleanor to your business?
- How do you track and measure how your customers make their way through their buying journey?

In this phase, the buyer's journey comes full circle.

Example: Eleanor loves her second and third bouquet purchases and writes a Yelp review to recommend the shop to others. The shopkeeper sends Eleanor a thank you email and offers her another coupon and special discount if she refers a friend to the shop. Eleanor's mom also loves the Mother's Day flowers and brags about them with a photo on Facebook. Her mom's friends post comments asking where she got them. Eleanor tags or posts the store by name and all these new customers start their journey as well.

3. Market Research and Potential write up

- Consists of a short briefing of your research, shouldn't be more than a page.

Example: Landscapers Inc.'s ideal customer is a wealthy baby boomer or a member of Gen X between the ages of 35 and 65 with a high disposable income. He or she—though primarily, she—is a homeowner. They're a working professional or recently retired. In love with the outdoors, they want to enjoy the beauty and serenity of nature in their own backyard—but don't have the time or skill to do it for themselves.

Market research shows the opportunity for Landscape Inc. has never been better:

- *In the US, total revenue for landscaping services increased from \$69.8 billion in 2013 to \$99 billion in 2019.*
- *Among landscaping contractors, designing and building is the second fastest growing service offering.*
- *What's more, landscape design and construction is the number one "new service" existing companies plan to add over the next year.*

In Cleveland, leading indicators for interest in green, eco-friendly, and sustainable landscaping have all increased exponentially over the last five years:

- *Online search volume for those terms is up 467%.*
- *Ten new community organizations have been formed.*
- *73 high-profile projects have been covered by local media.*
- *Currently, 13% of Cleveland's residents have a household income of \$125,000 or more (compared to the US average of 5%).*

Competitive Analysis

Make a competitive analysis of your most significant competitors

Product Makers

- Average cost per project:
- Ongoing maintenance fees:
- Google My Business: how many stars and reviews?
- Certificates:
- Primary Marketing Channels:

Example: within Cleveland's residential landscaping market, there are only two high-end architectural competitors: (1) Yard Makers and (2) Design Your Landscape.

All other businesses focus solely on either industrial projects or residential maintenance.

Yard Makers

- Average cost per project: \$12,000
- Ongoing maintenance fee: \$200 per month
- Google My Business: 3.1 stars from 163 reviews
- Environmental certifications: None
- Primary marketing channels: Google Ads

Design Your Landscape

- Average cost per project: \$35,000
- Ongoing maintenance fee: \$500 per month
- Google My Business: 3.7 stars from 57 reviews
- Environmental certifications: None
- Primary marketing channels: Home shows

Product or Service

1. Benefits

- Unique features
- Translating features into benefits
- Emotional and practical payoffs to your customers
- Intellectual property rights or any patents that protect differentiation.

2. Production Process

- How are you creating your product or service?
- Source of raw materials or components
- Assembling through manufacturing
- How do you maintain quality control and quality assurance
- How is it received and delivered (supply-chain logistics)
- How do you manage your daily operations: bookkeeping and inventory

3. Product Lifecycle

- What is the time frame between purchases
- Upsells, cross-sells, and down-sells
- Future plans for research and development (R&D)

Example: Landscaping Inc.'s service—our competitive advantage—is differentiated by three core features.

First, throughout their careers, Sherry and Shelly Smith have worked at and with Cleveland's three leading industrial-landscaping firms. This gives us unique access to the residents who are most likely to use our service.

Second, we're the only firm certified-green by the Cleveland Homeowners Association, the National Preservation Society, and Business Leaders for Greener Cleveland.

Third, of our ten completed projects—from 2018 and 2019—seven have rated us a 5 out of 5 on Google My Business and our price-points for those projects place us within a healthy middle ground between our two other competitors.

- Average cost per project: \$20,000*
- Ongoing maintenance fee: \$250 per month*
- Google My Business: 5 stars from 7 reviews*
- Environmental certifications: Three (see Appendix)*
- Primary marketing channels: Word of mouth, referrals, and home shows.*

Marketing and Sales Strategy

Your marketing plan can be the difference between selling so much that growth explodes or getting no business at all.

Growth strategies here are a critical part of your business plan. You should briefly reiterate topics such as your;

1. Value Proposition
2. Ideal Target Markets
3. Existing Customer Segments
4. Existing Customer Segments

Then add in these topics afterwards as well:

1. Launch plan to attract new business
2. Growth tactics for established businesses to expand
3. Retention strategies like customer loyalty or referral programs
4. Advertising and promotion channels
 - Search engines, social media, print, television, YouTube, word of mouth, etc.

Example: Landscapers Inc.'s marketing and sales strategy will leverage—in order of importance:

- Word of mouth*
- Referrals*
- Reviews and ratings*
- Local Google Ads*
- Social media*

- Home shows
- Direct mail

Reputation is the number one purchase influencer in high-end landscape design. As such, channels 1-4 will continue to be our top priority. Our social media strategy will surround YouTube videos of the design process as well as multiple Instagram accounts and Pinterest boards showcasing professional photography. Lastly, our direct mail campaigns will send carbon-neutral, glossy brochures to houses in wealthy neighbourhoods.

Business Financials

1. Income statements
2. Profit and Loss statements
3. Cash flow statements
4. Balance Sheets

Ideally, provide at least 3 years' worth of reporting. Make sure your figures are accurate and don't provide any profit or loss projections before carefully going over your past statements for justification.

1. How much of your revenue you retain as your net income
2. Your ratio of liquidity to debt repayment ability
3. How often you collect on your invoices

The importance of a Budget is useful because it allows you to figure out how much money you have, how much you'll spend in the coming months, and how much income you need to meet your financial goals.

Consider things like:

1. Employee salaries
2. Insurance
3. Interest payments

Step 1: Set your total Budget Number

- This is the total you're willing to spend to start your business
- The reason we set our budget goal first is to establish clear spending boundaries from the beginning.
- Consider the amount of money you have or can obtain. What's realistic for you to spend?
 - Remember, if you're taking out a loan, you will have to pay it back. Only borrow what you can feasibly pay back.

Step 2: Categorize your startup expenses

- Startup expenses are not ongoing operational costs; they're the initial things you need to buy to start your business
 - Get as detailed as possible, don't just write down "equipment", specify exactly what that entails.

- Once you've listed everything you need, categorize each item:
 - **Essential:** items that are costs that you absolutely need, for example, a business license.
 - **Non-Essential:** items that are costs that will make running your business easier, but are not crucial for its operation, for example, the cost of a designer to create a logo for you.
 - **Later:** items that are things that can be put on hold for 6 months, for example any production equipment for larger productions.
- Remember to include the costs within the costs, for example, a website doesn't just cost hiring a designer, but you have to pay for the hosting, domain names, plugins, stock photography, backup, and security software and cart software.

Step 3: Estimate your losses

- The next step is to estimate how long you'll go without making money while racking up overhead expenses. These are called your losses.
- We estimate losses because new businesses need time to build a customer base, so you want your budget to account for that timeframe.
 1. Calculate your estimated monthly overhead
 - List and total all of your recurring expenses, or expenses that you'll have to pay more than once that aren't tied to your product or service.
 - Payroll expenses (how much each of your employees gets paid and how often)
 - Subcontractors (people you hire who aren't employees)
 - Software subscriptions
 - Website fees
 - Advertising fees
 - Rent for your office
 - Compensation for your time (Don't leave yourselves out!)
 2. Estimate how many months you'll go without making money
 - While you have some revenue coming, how long will it take you to break even, meaning you earn all the money you borrowed and spent back.
 - Start with the total number of sales you'll need to break even, and then back into that number with your conversion rate, or the likelihood that a person turns into a customer.
 - Conversion rate = # of sales/ # of leads x100
 - If you're a service-based business, consider the average cost of your services, how many clients you';; need to obtain, and how often you will work with these clients.

Example: you own a product-based business and need to earn \$5,000/month to break even.

- *Your product costs \$50, which means you need 100 sales a month to break even. ($\$50/\text{product} \times 100 \text{ sales} = \$5,000$)*
- *At a 2% conversion rate, you will need to acquire 5,000 leads a month (2% conversion rate = $100 \text{ sales}/5,000 \text{ leads} \times 100$)*
- *You plan to increase your traffic by 1,000 leads each month, that means it will take you 5 months to break even.*

Example: you own a service-based business and need to earn \$5,000/month to break even.

- *As a hair salon owner, you rent out 2 chairs a month for \$1,000 each ($2 \times \$1,000 = \$2,000$)*
- *The remainder of your income comes from salon services, and the average cost of your services is \$90. Your clients return every other month, so you will need to acquire 66 clients total to have ongoing revenue to break even. ($33 \times \$90 = \$2,970$)*
- *You plan to acquire 12 new clients a month, that means it will take you 5½ months to break even.*

Multiply your estimated monthly overhead expenses by how many months you'll go without making money. The total represents your losses.

Step 4: Pad your Budget

- You're at a point where you already have 2 essential parts of your budget; your startup costs and your losses.
 - Before you add the two together, there's one final-and often overlooked step: padding your budget.
 - Padding your budget builds a safety net so you aren't scrambling to cover last-minute costs.
 - You only deploy this if you REALLY, REALLY need it.
1. For each line in your startup budget, add 10% of that expense to your estimated costs.
 2. For your monthly operating budget, add 15% to the total monthly operating costs.
 - Why 10% and 15%? People tend to go over their budgets slightly and it's easier to justify overspending when it's just \$20 rather than \$200, because it all adds up.

Step 5: Tighten your Budget

- After going through steps 1-4, you may think "OMG! I can't afford this!". So now the fundamental step is to adjust your estimated budget to match the goal budget number you set in STEP 1.
 1. Look through your startup expenses and all the items marked Non-Essential.
 - Which of these items can you eliminate?
 - Can any of these items be marked for later?

- Is there a way you can reduce the cost of these items (for example, buying something used, buying fewer licenses, downgrading the plan, etc.)
2. Move on to your overhead expenses
 - Are all of these expenses absolutely necessary for your business for the first six months?
 - Where can you reduce costs?
 - Can some of these costs be put on hold for 6 months? Let's say you're launching a photography business. Because you and your team will travel quite a bit, it may be unnecessary to pay rent for a physical office space.
 3. If you still can't get your budget to balance, reassess our Essential Costs
 - Which of these costs are truly essential?
 - Are there ways to reduce these essential costs? For example, you may think a new lens for your camera is absolutely essential, but you could rent a lens instead of buying one? Could you buy it used or refurbished? Get creative with how you can save money.
 4. Cycle through this process until your goal budget number matches your estimate.
 - Budgeting is the single most important thing you can do before you open your business. Not only do you start your new chapter prepared for the costs, you also develop the skill of intentional and bounded spending.
 - So keep your money in check, and give yourself a higher chance of building a profitable, sustainable business that will be around for decades to come.

Organization and Management

Identify your team members and explain why they can either turn your business idea into a reality or continue to grow it.

This section of your business plan should show off your management team superstars. Highlight expertise and qualifications throughout.

Example:

Sherry Smith, Co-founder and CEO

- Education
- Professional background
- Awards and honors
- Notable clients

Shelly Smith, Co-founder and Chief design officer

- Education

- Professional background
- Awards and honors
- Notable clients

Landscape Inc.'s creative crews

- Number of employees
- Cumulative years of experience
- Awards and honors
- Notable clients

Funding Request

Example: Landscape Inc. has already purchased all necessary permits, software, and equipment to serve our existing customers.

Once scaled to \$972,000 in annual revenue—over the next three years and at a 10% profit margin—our primary ongoing annual expenses (not including taxes) will total:

Payroll (labor)	\$612,360
Legal counsel	\$6,124
Accounting services (CPA, etc.)	\$9,623
Equipment maintenance	\$8,748
Rent and physical overhead	\$201,204
Insurance	\$17,496
Fees	\$19,245
Total ongoing annual expenses	\$874,000

While already profitable, we are requesting \$100,000 in the form of either a business loan or in exchange for equity to purchase equipment necessary to outfit two additional creative crews.

Finally, assemble a well-organized appendix for anything and everything (1) investors will need to conduct due diligence and (2) you or your employees will need easy access to moving forward:

- Deeds, local permits, and legal documents
- Business registries and professional licenses
- Patents and intellectual properties
- Industry associations and memberships
- State and federal identification numbers or codes
- Key customer contracts and purchase orders

As you include documents in the appendix, create a miniature table of contents and footnotes throughout the rest of the plan linking to or calling attention to them.

This is also where all your team's headshots along with their name go.