



La route de l'entrepreneur

une initiative de

REseau des
SADC
+CAE

Business plan essentials

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Talk to an advisor
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WHY MAKE A BUSINESS PLAN?

A business plan is mainly for the entrepreneur. The purpose of a business plan is to help you visualize everything you will need to do to make your business idea a reality, and what strategies you will need to implement to do so. A business plan is also essential for financing, as your financial partners will no doubt require you to have one.

WHAT YOUR BUSINESS PLAN NEEDS

SUMMARY

→ A brief, one-page overview:

- ☑ Your venture and what makes it unique
- ☑ Promoter profiles
- ☑ The market (sector, potential clients and competitors)
- ☑ Project cost and financial needs

DESCRIPTION OF YOUR VENTURE

→ Where your idea came from / History, if it is an existing business

→ The foundations of your business:

- Mission
- Vision
- Values

→ The nature of operations:

- Description of the products or services you offer

→ What makes your business unique

COST AND FINANCING

You will need to figure out what kind of investment your financial partners require from you, and it may differ from partner to partner. Determining how much you are investing will be key to putting together your financing package. Here's why:

→ Detail your project costs and break down your expenses:¹

- Property
- Equipment
- Inventory
- Marketing
- IT tools
- Working capital
- Etc.

→ Financing

- Investment (how much and where from?)

Example: *Personal finances, friends and family, private investors, asset transfers, etc.*

- Identify the financial partners you would like to seek out

¹ Show where your costs come from and what the money you need will be used for. Provide details, give realistic estimates based on research, and attach quotes if possible.

Example of a garment manufacturing company

PROJECT COST		SOURCES OF FUNDING	
Working capital	\$20,000	Investment	\$20,000
Equipment <ul style="list-style-type: none"> • Garment manufacturing machinery (\$20,000) • Office furniture (\$10,000) • Automotive equipment (\$20,000) 	\$50,000	RCM/City/CED/Evol/etc.	\$15,000
Inventory <ul style="list-style-type: none"> • Fabric (\$15,000) • Accessories (\$5,000) 	\$20,000	SADC	\$15,000
Marketing <ul style="list-style-type: none"> • Website (\$3,000) • Advertising (\$4,000) • Promotional materials (\$3,000) 	\$10,000	Financial institution	\$50,000
Total	\$100,000	Total	\$100,000

PROMOTER AND TEAM PROFILES

→ Description of the promoters and key members of your team:²

- Their skills
- Their experience
- Their qualifications
- Their roles and responsibilities in the company

2 It's important here to describe what makes you the right person or the right people for the venture. If necessary, show that you know how to surround yourself with people who can shore up your weak areas:

- Employees
- Mentors
- Other professionals (accountant, notary, economic development advisor)

MARKET ANALYSIS

This is often the weakest part of a business plan. People tend to neglect this step, even though it is critical. Learn more:

→ Market overview (qualitative and quantitative):

- ☑ Identify the need that your venture is addressing

- ☑ Identify your target customers:
 - ⤴ Profile
 - ⤴ Buying criteria
 - ⤴ Needs and expectations

- ☑ Identify your main competitors:
 - ⤴ Profile
 - ⤴ Strengths
 - ⤴ Weaknesses

- ☑ Identify your target market:
 - ⤴ Area served
 - ⤴ Desired market share

OPERATIONAL PLANNING

→ Description:

- ☑ Your facilities and equipment
- ☑ How your operations work (e.g., inventory management)
- ☑ Legal considerations (permits, licenses, registrations, etc.)
- ☑ Target vendors
- ☑ Your timeline for completion

MARKETING STRATEGY

Consumption habits are changing, and you will need to take these into account in your marketing strategy.

→ Description of your strategies:

- Sales price
- Customer service
- Distribution
- Advertising and promotion
- Relation to your sales objective³

HUMAN RESOURCES

→ Description of your HR strategy:

- Number of employees (current and/or projected)
- Workforce training
- HR management policy (e.g., compensation policy, work hours, retention strategy)
- Staffing planning⁴
 - ▲ Typical profile
 - ▲ Pay conditions
 - ▲ Hiring timeline

³ How much do you realistically need to sell (monthly revenue) to cover your fixed costs?

⁴ Especially important for industries where companies struggle to hire workers (such as tech).

FINANCES

- Summary of financial projection assumptions⁵
- Financial projections (3 years)
 - ☑ Income statements⁶
 - ☑ Balance sheet
 - ☑ Cash flow budget (break down each expense)

Appendices (as needed)

- Promoter resumés
- Incorporation
- Promotional materials
- Market research (surveys, etc.)
- Organizational chart
- Letters of support
- Letters of intent from potential clients
- Etc.

⁵ Show where your costs come from and what the money you need will be used for. Provide details, give realistic estimates based on research, and attach quotes if possible.

⁶ Make sure that your expenses include a realistic salary for the promoter(s).