



HOW TO PRINT THESE INSTRUCTIONS

From the Tools menu, choose Options, and then the Print tab. Check Hidden Text and then click OK. (The user guide and glossary are marked as "hidden text" and normally do not print out.)

You can then print (File menu – Print) the pages you wish.

SECTION 1: BUSINESS OVERVIEW

Briefly describe the nature of your operations and the major factors that affect your business and your industry. What does your business produce and sell? How does it do it? Does it operate in a single location or many? What percentage of sales goes to export markets?

The sources of information you might consider to complete this section are:

- Newspapers and trade journals;
- Existing market and industrial studies and data from Statistics Canada;
- Interviews with businesses already involved in the industry (distributors, suppliers);
- Discussions with present and potential clients.
- Colleagues and experts in your industry to test your assumptions.

For startups It is important to demonstrate your knowledge of the industry and your specific niche, and that you are aware of any difficulties of entering this field. How strong are the existing major players? Are you dependent on your suppliers or distributors? Explain why your clients will deal with you in particular (your niche), and to what extent.

Major demographic, economic, social and cultural factors

Place your business' operations and products/services in a global context. Show how your business will succeed based on demographic changes. What is the impact of dual income families or an aging population on your activities, for example? These trends will influence your company's performance in the long term. Be sure to quote significant newspaper or magazine articles, or social and demographic studies.

Major players (suppliers, distributors, clients)

Who controls the market? Are there major suppliers or distributors with whom you must do business? Are there clients who control the market due to the size of their orders? Who drives the prices up or down? This section will allow you to show the level of control you have in your market and your costs. A discussion with people involved in your field (distributors, suppliers, competitors or clients) can help you measure the influence your business can have in your market.

Nature of the industry

Describe the industry in which your business operates: size, potential and growth, concentration (few large firms, many small players), industry lifecycle (introduction, growth, maturity, decline), long-term potential development.



Trends in the industry

Identify major trends (economic, social, technological, environmental, geographical factors) affecting your industry and your business, both past and future. How does your business and its products/services fit in those trends? How can they be adapted? As well, evaluate the opportunities and threats to your venture. (growth rate, future possibilities, export markets, foreign competition).

Government or other regulations

To what extent is your industry regulated? How does this affect your business? Consider laws, bylaws and regulations, environmental concerns, tax breaks for new enterprises, tax shelters for certain types of investments, and so on. The various levels of government can provide all the necessary documentation, and you may want to consult business owners already involved in the community, your Chamber of Commerce or Board of trade or, in specialized cases, a lawyer.

SECTION 2: MARKET

In this section, give specific information about your market or region. Is your region or market different from the industry norm? Do you have a niche market? Does your region present specific challenges or opportunities?

Market segment

Describe your specific market within your industry: size, region, potential, growth rate, profile (buying behavior, demographics, etc.). If appropriate, mention the evolution of your business: will you serve only one market or target many different ones? Do you plan to enter different markets or serve different segments over time? Are you planning to export?

Products and services

Use your knowledge of your industry, together with research (trade magazines, trade shows, competitors' websites, promotional literature, service centres or 1-800 lines, etc.) to identify existing products/services that satisfy the same needs (directly or indirectly). Describe how the characteristics, the positioning and the distinctive factors of your products/services will guarantee your success.

Questions to ask yourself:

How do your products/services compare? Can you improve on what the competitors offer? Is there a way you can differentiate your products/services from those is on the market? Can they hold a distinctive positioning in the customers' mind?



Pricing and distribution

Describe your main pricing strategy (higher, lower or equal to industry players) and distribution strategy (networks, discounts to intermediaries, etc).

Questions to ask yourself:

How will your customers find your products/services? How much will they cost? It is useful to start by identifying the pricing and distribution strategies of your competitors and major players using trade magazines, trade shows, promotional literature, visits to wholesalers or retailers, discussions with suppliers, and so on. Compare your products/services: are they high, medium or low priced? Do major players sell directly to customers, through wholesalers or do they use a network of retailers? Are wholesalers covering your entire region?

Implications or risk factors

In this section, you briefly identify the strengths and weakness and opportunities and threats (SWOT) inherent to your market, and show how your business will respond and what resources will help it succeed.

Market trends

Is your chosen market prone to changes? This is different from your industry – for example, the demand for the cleaning products you sell may remain high, but if people will be buying them more from superstores and fewer from your current distributor, you will want to note that fact.

Planned response

Determine your major product and market strategies in terms of products/services, pricing, distribution and communications (advertising, promotion, direct marketing, etc.), and assess your business' future performance in the market (potential market share, sales targets, etc). If appropriate, define the role of your employees, your operations and production policies, technology and R&D, etc.

Do not forget that these represent overall corporate strategies.

COMPETITION

In this section, you identify and analyze major competitors (direct and indirect) for each product/service your business offers. Determine their strengths and weaknesses (market position, image, size, quality, strategies) and identify your competitive advantages, i.e. the reasons for which a customer buys or will switch to your product/service.

Competitors and type of competition

Identify your competitors, both direct (those offering a product/service like yours) and indirect (those offering a product/service that can satisfy the same needs). Is the competition based on service, quality, pricing, distribution, etc.? Determine the elements on which your business will have to fight its way into your market or against foreign companies. As well, evaluate the level of competition by segment (intense, weak) and your business' market entry potential in local or in foreign markets.

Competitors' strengths and weaknesses

You can evaluate your major competitors' strengths and weaknesses in various ways: quality (product and customer service), price (to the customer, commissions paid to the trade/distributors, production costs), product/service (characteristics in relation to needs,

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technology used), personnel (number, level, training, etc.), distribution (network, location, type of distribution), communications (image, advertising budgets, visibility, media used), promotion (merchandising, trade terms, etc.). For each competitor, gather information on its size, location, number of employees, products sold, network used, pricing and promotional activities.

Competitive advantages

What are your strengths that will help you take advantage of your competitors' weaknesses? What strengths will give you a chance to deal with the industry's threats and seize business opportunities that arise? Determine the elements your business can use (products, service, image, production, technology, etc.) to distinguish itself from the other players in the industry and to gain market share and profits; these will be related to the key factors developed earlier in the Planned Response section.

Useful sources for this section include trade information and interviews with employees (sales force, customer service representatives, production, etc), customers and distributors/suppliers.

SALES AND MARKETING PLAN

Customers

Describe your customers by name or market segment served. These customers can be major distributors with which your business has distribution agreements or manufacturers which use your products/services. The customers described here would account for the majority of your business' sales; potential customers can also be included, but be realistic. Be sure to consider foreign markets and their importance to your business.

Terms • Product/Service

If necessary, describe the sales terms and conditions (terms of payment or credit policies) and the products and services you supply.

Additional information

Include information such as customers' expectations, special services required, cross-selling opportunities, and their development projects. Is there potential for alliances or long-term agreements? Buy-outs or mergers? Joint marketing?



Suppliers

List the major suppliers that serve your business and the terms & conditions. If you are in a highly competitive sector, it is preferable to have more than one supplier; you will be able to negotiate better prices, and will not be overly dependent on a single company. These suppliers would account for a major portion of your expenses and your business success is highly dependent on them. Potential suppliers can also be included, depending on the interest their products/services represent for your business' operations.

Additional information

How and why did you choose these suppliers? What advantage do they give your business over others? Do they have new new products planned, changing pricing policies, or so on? Is there Potential for integration? Have you evaluated their capacity to match your development, service new locations, or support your new products?

Advertising and promotion

Are you going to advertise your products? If so, where and how often? Describe your advertising and promotion strategy and the main communications tools and actions you use to to reach each segment or market identified earlier. Intermediaries can also represent an important target for your communications efforts. This is also where you would include details about any online efforts, creation of a Web site, etc.

Questions to ask yourself:

Are you going to prefer sales promotion activities (e.g. coupons, samples, etc.)? If so, to whom (customers, trade intermediaries)? Would direct marketing be more appropriate (mailing, telemarketing, etc.)? Or sales representatives with remuneration based on performance?

These decisions, and those that follow, have a direct impact on your financial projections.

Pricing and distribution

If necessary, provide more details about your pricing and distribution policy that is specific to your market. For example, you can give a detailed price structure (wholesale, retail and consumer prices, special discounts, trade terms, salespersons' commissions, etc) to each market for each product/service and determine payment policies and credit terms. You can also show how products will be distributed, including site locations, intermediaries, electronic commerce, etc.

Customer service policy

Define the service levels you intend to offer and relate them to their costs, to what your customers expect and to what the competitors offer.

Questions to ask yourself:

Are you going to try to compete on service quality? If so, what are the standards? How are you going to measure your customers' satisfaction? Will you have a 1-800 line or a Web site for information on your products or for after-sales service? In-house or outsourced? Do sales representatives also handle customer service? What are your after-sales service terms? Guarantees? How will you handle complaints?

OPERATING PLAN

Location

Describe the site of your business: its location, size and capacity, advantages and disadvantages of facilities or location, and ownership/leasing details. You should cover



both current and future use and, if applicable, cover all aspects of your business' production, distribution and selling activities.

Size and capacity

If appropriate, give details of the size and capacity devoted to the different activities: production, warehousing for raw materials and semi/finished products, distribution, selling, customer service and administration. Consider flow of goods, people, clients, etc and impacts on space assigned, layout and size.

Advantages or disadvantages

Why did you choose this location in particular? Is there extra capacity? Is it easy to deliver or get deliveries? Is it close to clients, suppliers or competitors?

Lease or ownership details

Describe either the lease or ownership details on a site location basis (if multi-sites). Consider impact on costs and on your operational requirements. Evaluate location on a long term basis, i.e. compared to the foreseen development of your business or the evolution of your market.

Questions to ask yourself:

Are you close to your market and to major transportation networks (access, ease for delivery, visibility, etc.). Is your location appropriate to your current and future needs? To the sales and production levels? To customer service? When and why would you need to expand or move?

Equipment, furniture and fixtures

In this section, you describe the equipment you use to produce your goods or services. You should also comment on its age and remaining useful life, capacity versus volume, condition and replacement costs.

The content of this section, the budgets and the technology required, will vary greatly depending on your type of business. A retail operation will need more furniture and fixtures. Manufacturing will require more expensive equipment and technology.

Manufacturers should consider layouts, flow of people and goods, service vs. production vs. delivery areas, and so on. Describe the work processes, key activities and resources (equipment, machinery, furniture, vehicles, technology) necessary to operate your business as well as capital expenditures and technology required for the coming years in order to achieve sales targets.

For startups: you will need to describe the equipment you will use. Visit your competitors' sites, and discuss your needs with your suppliers of equipment / furniture / technology to determine an optimal operating plan, which you can describe briefly.

Future expenditures / Technology requirements

If you have a long-term plan for equipment or technology acquisition, give details here, including the timeframe, reasons (e.g., to maintain sales objectives) and costs. You can mention technical aspects, potential suppliers, buying criteria, alliances and partnerships, costs, and so on

These are decisions related to long term investments and will have to be taken into account in your Financial Plan. Be sure to consider the impact of your sales and marketing plan and any increase in personnel or space required. If there are any potential tax breaks or shelters, mention them.

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Research and development

Mention, briefly, any research and development activities: in-house or outsourced, resources involved (human, material, financial), any R&D plan (output, dates, expected results). Evaluate the financial implications, the long-term advantages to your business and any subsidies or partnerships you may have.

Knowledge-based industries that rely heavily on R&D will want to go into more detail in this section.

Consult a specialist at [IRAP \(Industrial Research Assistance Program\)](#) or the [CTN \(Canadian Technology Network\)](#) for more details on research and development. Regarding standards, you can consult the [Standards Council of Canada](#).

Environmental compliance

If appropriate to your industry, describe how you deal with waste and other environmental issues (policies, criteria, supervision and contingency plans) Will you require some environmental standards from your suppliers? Will you offer them to your customers?

For startups: Banks often have strict requirements when lending to companies whose activities have an impact on the environment. You will want to develop your own code of conduct; determine criteria to follow and establish 'what if' scenarios.

Additional information

Add any additional information, as required.

HUMAN RESOURCE PLAN

Key Employees

In this section, you describe your key job positions, both present and future. A solid human resources plan is as essential as your marketing or financial plan. Include key responsibilities, the titles and hierarchical levels and the number of people required

Note: this section is for employees; the principals of the company (president, treasurer, etc.) are described in the Executive Summary.

For startups Set the qualifications you require for each function. This is the first step towards a career development strategy and succession planning.

Job title/ Key responsibilities/ Qualifications

Describe, briefly, the title, responsibilities and qualifications or skills for each function. These can later help you establish your recruiting and promoting criteria..

Additional information

Information on external support needed in the future (lawyers, consultants, ISO specialist, accounting firm). You can also attach the resumes of key people at the end of your plan.

POLICIES AND PROCEDURES

In this sub-section, you describe your overall human resources strategy: remuneration, training and performance assessment. It will form the basis of the 'contract' between management and personnel. These policies and procedures will help you attract and keep employees and achieve

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a work environment conducive to top level performance. Decisions here will have a direct impact on operating expenses and consequently on profits.

Hours of operation

List the business hours for all functions and locations. This can help you determine the level of service required by your clients and establish a schedule for employees. There might be variations based on function (customer service vs administration), on seasonality of demand (Christmas period) or other factors directly related to your industry or market served.

Vacation program

Describe policies based on the level of service described above, the functions and industry/regional standards.

Performance assessment

All but the smallest of companies need to establish evaluation process: management expectations, corporate objectives, expected results by function and hierarchical levels, qualitative and quantitative factors and impacts on remuneration and promotion.

Training and development

Assess current level of competence, set targets and establish training programs to reach targets. The qualifications and skills identified in the previous form should be the starting point for this exercise.

For startups: It is a good idea to show that you have both a short-term (i.e., for when you start) and a *long-term* training plan for your employees.

Remuneration and benefits

For each function and hierarchical level, list salary levels and benefits packages, including fringe benefits and related programs.

Health and Safety

While it may not be necessary to include a section about health and safety in your business plan, refer to the to ensure that your company complies with Canadian legislation.

ACTION PLAN

This is a chronological list of your company's activities. It gives your banker an overview of how you intend to reach the sales levels described in your financial plan. Many of these activities will come directly from the plans you established in the prior sections. Be as precise as possible (what to do, when, by whom, how, with what objectives and for what budget).

EXECUTIVE SUMMARY

The executive summary is where your banker, lawyer, accountant or other stakeholders will get their first and often final idea of your project. Often, this is also the document that you will present to potential partners. In a few pages, the reader has to get a clear understanding of what your business does, what it wants to achieve and how you will achieve it. This is the crucial element of your business plan.

Objectives of the plan and description of the project

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Why this plan? What are your goals in preparing this document? Describe the project, i.e. (investment, expansion, acquisition, etc.) you want to 'sell' to potential partners, bankers or other stakeholders.

Business history and nature of operation

Summarize your business environment section.

Products and services

Provide a condensed version of your Sales and Marketing plan.

Project financing

Summarize the Financial requirements section from the separate Excel spreadsheet. This is an outline of your financial plan, the project (asset acquisition, business development, etc.) and how you intend to finance it (own funds, investments, loans, equity, etc.). Explain the type of financing your business will eventually ask from its banker(s).

Management and advisors

Describe who you are and who the people who support you are. Investors, bankers, even stakeholders, want to know who does (or is going to) manage this company. This section gives credibility to your plan. Do not restrict yourself to shareholders; consider advisors as well.

Risk assessment and contingency plan

What are the chances and the conditions under which the plan would not develop as expected, i.e. sales do not materialize, profits do not come, expenses are higher than planned?

What are you going to do to ensure the survival of the business, e.g. ease with which assets can be disposed of, guaranteed business/sales, strengths/expertise in sectors, etc.

Financial Institution

Investors and bankers will need some information to validate financial information about your business. This is also where you sign and date your business plan.

Supporting documents

Identify all the relevant documents you think might support the information detailed in the main document and attach them to your plan. For example: signed contracts from customers, resumes of your partners, market studies, magazine articles that can help you better sell your business plan, etc.

FINANCIAL PLAN (EXCEL SPREADSHEET)

Down load the cashflow template found on our website.