

Getting started on your business plan: A workbook

Think of your business plan as a roadmap — a guide to help you structure, fund and operate your business. A good business plan gives you the chance to carefully consider every step of starting — or growing — your business so you can prepare for potential challenges. (If you're just getting started on your entrepreneurial journey, refer to [How to start a business in 15 steps](#) for additional guidance.) It can help you identify weaknesses so you can address them early in the planning process. It can also help you understand the market and your competition to help you avoid unexpected obstacles.

While a thorough business plan is a necessary part of the financing process, it's helpful even if you don't need outside financing. A well-crafted plan will continue to serve you throughout the life of your business. Expect to update your document regularly to ensure the information is current and aligns with the overall goals and growth of your organization.

Instructions: Use this workbook to solidify and document the core components of your business plan. Answer the questions thoughtfully and be thorough, capturing as much information as you can. Keep in mind that not all sections may apply to your business and additional sections not included in this workbook might be needed for your business plan. This exercise may help guide you as you develop your business plan and should give you the information you need to complete it. (Refer to [How to write an effective business plan](#) for more best practices.) This guide is solely for informational purposes. The content presented here may vary from business plan requirements to obtain financing. Consult your legal and/or financial advisor for any questions you may have about setting up your business. **Note: To avoid losing your work, save this PDF to your desktop before you begin.**

1. Business overview

Use this section to tell your audience what your business is about. What product(s) or service(s) does it offer? What problem are you attempting to solve and for whom? How will you solve it?

What business model (such as brick-and-mortar retail or direct-to-consumer sales through an online store) will you use to make sales?

How will your **business be structured** (e.g., sole proprietorship, general partnership, limited partnership or corporation)? Why is this structure advantageous for the business?

2. Business goals and vision

Use this section to explain what you hope to achieve in the business (your vision), as well as its mission and value proposition.

Note: Your goals may not be solely financial. You may also wish to provide jobs or solve a societal problem. If that's the case, mention those goals as well.

How do you expect to achieve the goals you have set for the business?

3. Management and organization

Use this section to highlight the team behind the business. Provide a short bio of each key member of your management team that emphasizes relevant experience, along with any special talents and industry recognition. If you are the only full-time employee, explain why you are qualified to run the operation.

Note: Many business plans also include headshots of the management team with the bios. Also, consider mentioning board members or mentors who have helped define your business strategy or have provided guidance around how to bring business concepts to life, if applicable.

Management team member 1:

Management team member 2:

Management team member 3:

If you will need to hire people for specific roles, this is also the place to mention those plans. And if you will rely on outside consultants for certain roles — such as an outsourced CFO — be sure to make a note of it here. Outside backers want to know if you've anticipated the staffing you need.

Anticipated New Hire Title

Primary Responsibilities

4. Service or product line

A business will only succeed if it sells something people want or need to buy. As you describe the products and/or services you will offer in this section, make sure you explain what benefits they will provide to your target customers. How will they differ from competing offerings? What will the buying cycle likely be? Demonstrate that you can actually sell what you are offering.

Explain your plans regarding sourcing and fulfillment. How is your product built? How will you source materials/inventory? What do they cost? If a service business, how is the service fulfilled?

If you have plans to protect your intellectual property through a copyright or patent filing, be sure to mention that. Also, explain any research and development work that is underway, to show investors the potential for additional revenue streams.

5. Market/industry analysis

Anyone interested in providing financial backing to your business will want to know how big your company can potentially grow, so they have an idea of what kind of returns they can expect. Use this section to describe to whom you will be selling and how much opportunity there is to reach them.

Key details to include are market size; a **strengths, weaknesses, opportunities and threats (SWOT) analysis**; a competitive analysis and customer segmentation breakdown. Make it clear how you developed any projections you've made by citing interviews or research.

Also, describe the current state of the industry. Where is there room for improvement? What will you do better? Are most companies using antiquated processes and technology? If your business is a local one, describe the market in your area. Pull detail from your **SWOT analysis**, if appropriate.

List competitors, including their names, websites and social media handles. Describe each source of competition and what makes your product or service better.

Competitor (including website and social media)

Comparable Offering

Point of Differentiation

6. Sales and marketing

Pricing your product or service is a key step. Use this section to document what you will charge and how you arrived at that price. Refer to any market research you conducted to support this price and how your pricing strategy compares with competitors.

Explain how you will spread the word to potential customers about what you sell. Will you be using paid online search advertising, social media promotions, traditional direct mail, print advertising in local publications, sponsorship of a local radio or TV show, your own YouTube content or some other method entirely?

Capture all of the methods you will use:

| | | |
|--------------------|-------------|------------------------|
| Facebook | Online ads | Word of mouth |
| Instagram | Websites | Networking events |
| LinkedIn | Blogs | Trade shows |
| Other social media | Email | Press releases |
| Yelp | Direct mail | TV/radio ads |
| Google AdWords | Flyers | Newspaper/magazine ads |

Make sure readers know exactly what the path to a sale will be and why that approach will resonate with customers in your ideal target markets, as well as in existing customer segments. If you have already begun using the methods you've outlined, include data on the results so readers know whether they have been effective.

7. Financials

Here's where you'll speak to your business's viability. In a new business, you may not have any past financial data or financial statements to include, but that doesn't mean you have nothing to share. A good place to start is your anticipated costs. Use our [Startup costs calculator](#) to help determine your anticipated one-time and ongoing expenses.

Next, it's beneficial to work through a projected income statement. With an income statement, you'll use cost, sales and other estimated data to get to your projected net profit (or bottom line).

Here's a simple version of the income statement formula:

Income statement summary

| | |
|----|--|
| \$ | Revenue (sales) |
| \$ | – Variable costs |
| \$ | = Gross profit |
| \$ | – Fixed costs |
| \$ | – Taxes |
| \$ | = Net profit (your bottom line) |

Use the worksheets on pages 8 and 9 to build a projected income statement for your business, then complete this section.

For an existing business, you should provide [profit and loss statements](#) as well as [cash flow statements](#) and [balance sheets](#), ideally going back three years.

8. Funding plan

Using the [Startup costs calculator](#) as a reference, document how much money you anticipate needing to start your business as well as where the money will come from. If you are seeking outside financing such as a loan or equity investment, your potential backers will want to know how much money you need, how you will spend it and what type of funding you are seeking (such as debt, equity or a combination of both). If you are contributing some of your own funds, it is worth noting this, as it shows that you have “skin in the game.”

1. Startup funding

How much startup funding do you need?

\$



2. Sources

| | | |
|--|------------------|-----------|
| Savings | | \$ |
| Loan from family/friend | (% interest) | \$ |
| Loan from bank | (% interest) | \$ |
| Equity | (% of business) | \$ |
| Other (business grant, competition winnings) | | \$ |
| Total | | \$ |

These numbers should match

9. Bring it all together

Once you've documented the central components of your plan, it's time to bring everything together in an easy-to-read format. Start your document with the following sections:

Title page. Make sure your title page includes an address, phone number and professional email address (as well as a business name and your logo if you have one).

Table of contents. Readers may want to find specific information quickly. Help them out by creating a table of contents.

Executive summary. You've already used this workbook to reflect on and document the detail of your business plan. Here's where you provide a summary. Your objective is to grab your reader's attention and entice them to read the rest of your plan or proposal. In three to five paragraphs, you'll want to explain what your business does, why it will succeed and where it will be in five years.

Business plan detail. Here's where you incorporate the detail you've captured in this workbook. Include sections on the following:

- Business concept
- Goals and vision
- Management team
- Product or service
- Target market
- Marketing strategy
- Current and/or projected revenue and profits
- Financial resources needed

Appendix. This should include any information that will help investors and bankers gain a greater understanding of the potential of your business. Depending on your industry, you might include local permits, licenses, deeds and other legal documents; professional certifications and licenses; media clips; information on patents and other intellectual property, key customer contracts and purchase orders and other relevant documents.

Some business owners find it helpful to develop a list of key concepts, such as the names of the company's products and industry terms. This can be helpful if you do business in an industry that may not be familiar to the readers of the business plan.

What to do with your business plan draft

Get two or three people whose opinions you respect and trust to review the plan for you. Ask them to tell you if and why they would or would not invest if they had the money. If they say they would and they have the money, don't forget to ask them for a check. Try to figure out if there are any no-cost ways to start your business or help you strengthen your claims.

For example:

- **Interview prospective customers.** Ask them if they would buy your product/service. If so, how much would they pay? Where would they most likely buy them? Who do they think will be your closest competitor?
- **Do a test market.** Conduct a test where you sell your product or service to your market at different prices. If it's impossible to sell the finished version of your product, you can sell what's called a "minimum viable product" (MVP). The MVP should deliver the same benefit but can be less polished than the final version of your product/service. If you're wondering who will want your MVP, the answer is people who have the most to gain from what you're offering. These "early adopters" will want your product/service so much they'll accept it in its early form without all the bugs worked out. Early adopters provide you with revenue so you can invest capital back into your business. Your priority will most likely be funding product development so you have a viable product/service not only for early adopters but also for your larger target market. Early adopters also provide important customer feedback so you know what features of your product or service are important to your market and which aren't. This information will help you perfect the final product for your larger market.

D. Record the per-unit selling price of your product or service

Selling price per unit: \$

E. Forecast the number of units you plan to sell per month

1. How many units do you think you can sell in one hour?
2. How many hours per week will you sell your product/service?
3. How many units will you sell in a week **[E1 x E2]**

Units sold per month **[E3 x 4]**:

F. Calculate revenue (sales) for one month

Selling price per unit x Units sold per month = Revenue per month

1. How much will you charge for one unit of product (selling price)? **[D]** \$
2. How many units will you sell in one month? **[E]**

Revenue per month **[F1 x F2]**: \$

G. Calculate gross profit for one month

Gross profit per month = Revenue per month – Variable costs per month

1. What is your variable cost per month? **[C x E]** \$
2. What is your revenue per month? **[F]** \$

Gross profit per month **[G2 – G1]**: \$

H. Calculate your net profit

1. What are the total ongoing (fixed) costs for one month? **[B]** \$
2. What are your gross profits for one month? **[G]** \$
3. What is your net profit before taxes for one month? **[H2 – H1]** \$
4. What are your taxes for one month (estimate at 20%)? **[.20 X H3]** \$
5. What is your net profit for one month? **[H3 – H4]** \$

Gross profit for the year **[H5 x 12]**: \$

Assumes you sell the same amount every month.

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