# Betesh Entrepreneurial Competition

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## Section 1: Cover Page – Just to Get Started

This part is simple – just create a slide with your company name, address, phone number, logo and slogan. Nothing more – you will have plenty of sections to write in more detail. This is just the cover of your plan.

## Section 2: Executive Summary – Who You Are, In a Paragraph

If you are just starting a business, you won't have as much information as an established company. Instead, focus on your experience and background as well as the decisions that led you to start this particular enterprise.

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 that you can succeed in your target market, then address your future plans.

## Section 3: Company Description – What is Your Company?

This section of your business plan provides a high-level review of the different elements of your business. This is akin to an extended elevator pitch and can help readers and potential investors quickly understand the goal of your business and its unique proposition.

##### 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.

## Section 4: Market Analysis – Who is Your Competition?

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. This section is usually presented after the company description.

##### What to Include in Your Market Analysis

Industry Description and Outlook – Describe your industry, including its current size and historic growth rate as well as other trends and characteristics (e.g., life cycle stage, projected growth rate). Next, list the major customer groups within your industry.

Information About Your Target Market – Narrow your target market to a manageable size. Many businesses make the mistake of trying to appeal to too many target markets.

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?

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? Explain the logic behind your calculation.

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

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)?

Regulatory Restrictions – Include any customer or governmental regulatory requirements affecting your business, and how you’ll comply. Also, cite any operational or cost impact the compliance process will have on your business.

## Section 5: Organization and Management – Who is Doing What? How?

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.

Who does what in your business? 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, so tell them. 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
* 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

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

## Section 6: Description of Service or Product – What Exactly Are You Selling?

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 product or service – from your customers' perspective. You should also talk about your product or service's ability to meet consumer needs, any advantages your product has over that of the competition, and the current development stage your product is in (e.g., idea, prototype).

Details About Your Product’s Life Cycle

Be sure to include information about where your product or service is in its life cycle, as well as any factors that may influence its cycle in the future.

Intellectual Property

If you have any existing, pending, or any anticipated copyright or patent filings, list them here. Also disclose whether any key aspects of a product may be classified as trade secrets. Last, include any information pertaining to existing legal agreements, such as nondisclosure or non-compete agreements.

Research and Development (R&D) Activities

Outline any R&D activities that you are involved in or are planning. What results of future R&D activities do you expect? Be sure to analyze the R&D efforts of not only your own business, but also of others in your industry.

## Section 7: Marketing & Sales – How Will You Convince People to Buy Your Product or Service?

Once you’ve completed the Service or Product 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, an acquisition strategy such as buying another business, a franchise strategy for branching out, a horizontal strategy where you would provide the same type of products to different users, or a vertical strategy where you would continue providing the same products but would offer them at different levels of the distribution chain.

Channels of distribution strategy

Choices for distribution channels could include original equipment manufacturers (OEMs), an internal sales force, distributors, or retailers.

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.

##### Your overall sales strategy should include two primary elements

A sales force strategy

If you are going to have a sales force, do you plan to use internal or independent representatives? How many salespeople will you recruit for your sales force? What type of recruitment strategies will you use? How will you train your sales force? What about compensation for your sales force?

Your sales activities

When you are defining your sales strategy, it is important that you break it down into activities. For instance, you need to identify your prospects. Once you have made a list of your prospects, you need to prioritize the contacts, selecting the leads with the highest potential to buy first. Next, identify the number of sales calls you will make over a certain period of time. From there, you need to determine the average number of sales calls you will need to make per sale, the average dollar size per sale, and the average dollar size per vendor

## Section 8: Financial Projections – How Will You Make Money? When?

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).

## Section 9: Appendices – Give Us a Taste of a Print Ad for Your Product/Service

Here, we ask you to use all your creative faculties. Create a one-page flyer to advertise your product (letter size, please). This will be shown at the finals of the business plan competition.