



How to write a business plan

UPMETRICS

#1 Business Plan Software



Prepared By

 Upmetrics

 409, Angel Square, Gujarat India

 support@upmetrics.co

 <https://upmetrics.co>

Table of Contents

Introduction	2
What is business plan?	2
Why do you need a business plan?	3
What should you include in your business plan?	3
Key things to remember	4
Keep it short and concise	4
Be realistic and creative	4
You should be able to change it as the business grows	4
How to write a business plan?	5
Business Plan Cover Page	5
Executive Summary	6
Company Overview	6
Problem Analysis	7
The Solution	7
Market Analysis	8
Customer Analysis	8
Competitive Analysis	9
SWOT Analysis	10
Marketing Plan	10
Operations Plan	11
Management Team	11
Financial Plan	12
Supporting Documentation	13



Welcome to the **journey of entrepreneurship**.

You are here because you have a great business idea and want to write a perfect business plan to convert that idea into reality.

Before you start writing your business plan, let's understand

- **What is a business plan?**
- **Why do you need one in the first place? And**
- **What should you include in your business plan?**

What is business plan?

In simple words, a business plan is a document that outlines your business goals and details on how you plan to achieve those goals. It is a living document that will prove to you and the rest of the world that your idea is not just a dream but can be a viable reality.

Also, it will help investors learn about your business, vision, and convince them that your business idea is worth investing in. Your business plan will provide concrete evidence that your business idea is sound and has every chance of success.

Why do you need a business plan?

Some entrepreneurs have achieved tremendous success without writing a business plan with their past experiences, less competition, or maybe by luck.

But the fact is, many entrepreneurs have failed as well. It is just that we learn more about success stories only.

So, does writing a business plan guarantee success? Of course Not.

But, the business plan is your companion on your entrepreneurship journey. It will help you and your team understand the problems and the competition you will encounter in your journey. It will keep you and your entire team in sync and on the right path to achieve your business goals and success.

Always keep in mind your business plan is the backbone of your business.

What should you include in your business plan?

Every and every business idea and plan is unique in its terms. You should include all the details that explain your business idea in the best possible way. However, there are a few elements that every entrepreneur should include in their business plan.

The following is a full guide for creating a comprehensive business plan. We'll first list out the sections that must be included in the business plan and in the later part, we'll explain what should be added in each section:

- Business Plan Cover Page
- Table of Contents
- Executive Summary
- Company Overview
- Problem Analysis
- The Solution
- Market Analysis
- Customer Analysis
- Competitive Analysis
- SWOT Analysis
- Marketing Plan
- Operations Plan
- Management Team
- Financial Plan
- Supporting Documentation

Key things to remember

Now before you start the actual writing of your business plan and learn what to include in each section of the business plan, there are some key concepts that you must keep in mind and rules that you should follow during the entire business planning process.

Keep it short and concise

Don't you want your business plan to be read by your investors? Remember, many investors do not like to read a long business plan.

In this competitive time, no one has time to go through a 100-page long document. A typical 20–25 pages should be fine for any standard business plan. A short, crisp, and concise business plan ensures that you're able to communicate your message to your potential investors without having the risk of losing their attention.

However, if your business idea is a completely new kind of business or even a new industry, it may need quite a bit of writing to get the message across.

Your business plan writing purpose will decide how long your business plan should be. If you are writing your business plan to seek millions of funding, then you might need a lengthy and detailed business plan. However, if you are writing a business plan just for an internal purpose to expand your existing business, a short and concise business plan should work.

Be realistic and creative

Do not consider your business idea as your baby. Be realistic and honest with yourself while writing your business plan, and always try to add facts and realistic details of your business idea.

Also, your business plan should grab your reader's attention quickly. Be creative while designing your business plan cover page and writing any important details in your business plan.

When it comes to the formatting of the business plan, make sure to use bullet points, images, and charts. Also, highlight the key points or metrics that you want readers to focus on. It helps bring your idea to life. Plus, it will keep your readers focused on reading.

You should be able to change it as the business grows

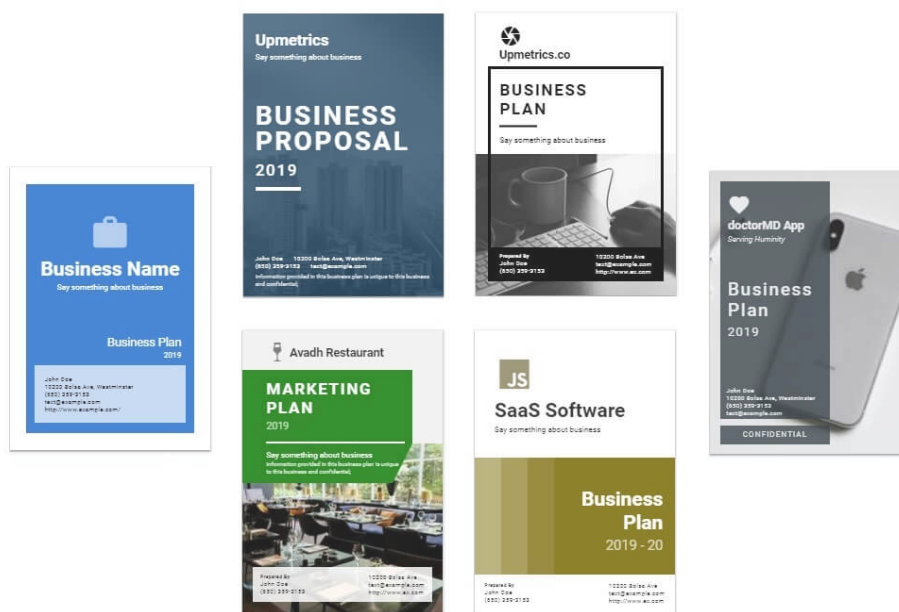
Most businesses start with a business plan, and once written, it's never revisited. Never make that mistake. Your business plan should be treated as a working document that should be developed as your business grows.

For example, you might want to update your marketing plan as per the changing trends for a new round of funding. In a nutshell, keep your plan alive!

How to write a business plan?

Now that you are ready to write your business plan, let's understand in detail about the common elements of the business plan and learn what you should include in each section of the business plan.

Business Plan Cover Page



The [business plan cover page](#) is the first and most important part of the business plan because it will create the first impact and will set the platform about how investors or readers will engage with your business plan.

Just by looking at the business plan cover page, an investor or reader can get a quick idea about the purpose of your business idea and business plan.

However, many entrepreneurs do not pay enough attention to the cover page and that is their biggest mistake.

Table of Contents

In any document, the table of contents provides a quick overview and works as navigation to navigate across the document. The same does to a business plan as well.

Table of contents is important to provide a quick overview of the sections that you have included in your business plan and help readers to navigate to the section that interests them the most. If investors are excited about a particular part of the business plan first, they will find the table of contents extremely useful in finding the relevant sections within the business plan.

Usually, the table of contents needs to be added at the start of the document and just after the business plan cover page.

Executive Summary

The executive summary is the first section of your business plan. However, the executive summary is always written at the last as it is a brief introduction to your business plan and summary of your entire business plan document.

A good executive summary should answer the following basic questions:

- What are you trying to achieve with your business idea?
- Why is your business idea important? and
- How are you going to achieve your business goals?

Generally, a good executive summary should include the following details:

- **a brief description of the problems you will be solving**
- **summary of your business goals & vision**
- **products or services you are going to offer**
- **a solid description of the market you are targeting**
- **a quick look at your competition and your competitive advantages**
- **a basic financial projection of your revenue, expenses, and profits**
- **your funding requirements (if any) and how you will be using that funds.**

It does seem like lots of details required to write a good executive summary but at the same time, it is important to get it right because if your summary does not clearly explain how you will solve a customer problem and make a profit, then investors or readers might not find it worth reading.

Most of the investors just read the executive summary and decide if they should read the rest of the business plan or not. So make your efforts count in this part of the business plan.

In short, write your executive summary in such a way that readers would want to turn the page and keep on reading.

Always remember, a good executive summary should not be more than one or two pages long. However, in some cases, it can be longer if there is an absolute requirement.

Company Overview

The company overview section provides a brief history of your company if it already exists. However, if you are starting a new business, here you will need to write about yourself, your achievements, and how you will set up and form your business as a company.

Here you need to answer questions such as how and when your company was formed, what type of legal entity you are, and what are your achievements to date. Your past journey and achievements are the best sign of your possible future success, so make sure to include all the important milestones you or your company has achieved to date.

As a startup, your company overview can be very much short, so focus on your personal history, achievements, and the journey that led you to start your business in the first place. Sharing your original idea is important because it shows how you think and how you were able to craft your idea into a business.

Even if you are just starting, your educational background, professional experience, achievements, and the details of your business idea can give potential investors a vision of what you are trying to achieve.

Problem Analysis

You have started the business because you have identified the unique problem that customers are facing and in this section, you just need to explain that problem.

The problem statement section can be explained with three simple questions.

- Whom does the problem affect?
- What are the causes of the problem?
- Why is it important to fix?

When you write your problem statement, just describe how bigger the problem is and why it is most important to fix it. Also, there might be multiple problems you will be solving, but always try to focus on the main problem **because you don't win on the number of problems you solve; you win on how well you solve a specific problem.**

While writing the business plan, most entrepreneurs focus on the solution they are going to offer, and in that process, they forget to explain the actual importance of the problem. Remember the more accurately you will explain the problem, the more valuable the solution will be.

Remember to keep the problem statement as simple as possible and should be self-explanatory. Also, it is good to include the key statistics that explain the severity of the problem.

After you explain the problem, it is also important to describe the world once a particular problem will be solved and that will set the stage to introduce the solution you are proposing.

The Solution

The solution section is also called the product & services section. In this section, you will need to define your best-proposed solution to the problem you explained in the previous problem analysis section.

Your solution details should be as simple as possible. It is not recommended to use too much technical or industry details while writing about your product details. Keep in mind your readers will not have the same education or technical background like you.

The length of this section will depend on the nature of your business. For example, if your business is product-focused and the product is relatively new in the market, then you should write more about the product, its design, its features, etc. However, if your business is relatively common like selling bicycles or restaurant business and you are planning to compete with better pricing or customer service then you probably don't need to write more about products.

If your product is hard to explain it's a good idea to include a picture. Also, if you are planning to expand your business and will come with new products or services in the future, then you can mention those details here as well.

Your product or services pricing should be mentioned here in this section. Also, if you have any product patents, copyrights, licenses, etc then add those details here in this section.

In short, your solution section should answer the following common questions:

- **Your products or services are currently under development or already available?**
- **If not available, what will be the timeline for delivering products and services to the market?**
- **How are your products or services different from the competition?**
- **How will you get your products? Are you the manufacturer or you purchase products from suppliers or wholesalers?**

When you write this product and services section, think of your reader as a person who knows little to nothing about your business. so make it as simple as possible.

Market Analysis

Before you start your business, it is essential to check if there is a viable market available for the products or services you are planning to offer, and that makes market research the most critical and key to success for any business.

In simple words, market analysis is studying the industry your business will operate in, the size of the industry, and its trend & direction (growing, stable, or in decline).

The market analysis consists of the main three parts:

Market Overview

This is a general overview of the industry. In this part, you will need to describe the current position of the industry, market trends, and where it is heading. Also, you can write about your knowledge and experience in the industry.

Target Market

In this part, you will need to be more specific about the segment of the market that will use your products or services. Not everyone from the industry will use your product or services, so it is important to find the right audience for your product. (For example, if you are starting a veg restaurant in the town, then all the people from town will not visit your restaurant. The only people who prefer and eat veg food will be your target customers).

Market Size

Market size is all about finding how many potential customers are there for your product or service. Here you will need to show some statistics about the size of the industry (e.g., total U.S. sales in the last year) and its growth rate over the last few years.

The main objective of the market analysis is to identify the opportunities and risks associated with the business. It will also help you to understand how you should prepare your marketing strategy, where you should invest in terms of marketing efforts, and avoid making the wrong decisions.

With market analysis, you can identify the market entry barrier, market needs, and estimate the market attractiveness from a financial standpoint.

Customer Analysis

Once you complete your market analysis, it's time to identify the customers and needs of customers who are going to use your product or services, and this process is called customer analysis. Customer analysis is a key element of any successful marketing plan, as well as for your overall business plan.

Customer analysis is critical for any business to succeed because if you do not know who is going to your offerings, what your customers want, it is not possible for any business to succeed.

Now that you know customer analysis is that important, it is time to learn how you can perform strong customer analysis.

Customer analysis consists of the main three parts:

Identify your target customers

In this part, you will need to describe the characteristics of your expected customers. Key information includes:

- Demographics: Age, Sex, Ethnicity, Income, Family, Occupation, etc.
- Geographic: Location (Neighborhood, Region, Urban/Rural, Online)
- Psycho-graphic: Lifestyle, Personality, etc
- Interests: Hobbies, Activities, etc
- Growth: Size of the target customers and whether they are growing, shrinking, or stable.

It's up to you what is the best way to get this information for your business. However, some practical methods include customer surveys, existing customer's data analysis, social media listening, or by talking with your customer support team.

Identify your customer's needs

Once you identify who your customers are, it's important to understand their needs as well, and the answer to this question should be your offering.

Explain how your product or services will meet those needs

Now that you know your target customers and what they need, it's time to explain your products or services benefits. In this part, list out the key features of your products or services that will fulfill customer's needs, explain the benefits of your offerings, and outcome customers can expect by using your products or services.

Keep in mind, a strong customer analysis must answer these three key questions:

- Who are your customers?
- What do they need?
- How do your products or services meet those needs?

Competitive Analysis

Competitive analysis is all about finding your competitors, analyzing their strengths and weaknesses, products and services, pricing, social media presence, marketing & sales strategy, etc.

Your competitors can be categorized into two classes:

Direct Competitors

Direct competitors are the ones who provide the same solution as you do. For example, if you operate an Italian restaurant, other restaurants that serve Italian food will be your direct competitors. In this section of your business plan, outline who your direct competitors are, add their strengths and weaknesses.

Indirect Competitors

Indirect competitors are the ones who do not provide the exact same solution as you do but solves the same customer problem as you do. For example, if you operate an Italian restaurant, a Mexican or Spanish restaurant would be an indirect competitor. In this section of your business plan, outline who your indirect competitors are, add their strengths and weaknesses.

Once you identify who your competitors are, it's time to explain how different and superior you are compared to them and that will be the competitive advantage section of your business plan.

In this competitive advantage section, explain how your business will effectively compete and win against both direct and indirect competitors.

SWOT Analysis

Here strengths and weaknesses are subjective to your business which you can control and change like business location, pricing, uniqueness, etc. While opportunities and threats are external that are running outside your business, in the larger market. However, you can take advantage of opportunities and defend your business against potential threats, but you can't change them.

It is always best if the business owners perform SWOT analysis themselves. This task is not something that you should assign to someone else. A precise SWOT analysis will allow you to measure your strengths and weaknesses against the opportunities and threats in your business environment.

Once your SWOT analysis is ready, it will help you to form a strategy to achieve your business goals.

Marketing Plan

Now that you have explained your products or services and identified who are going to use those products or services, it is time to let your customers know about your products or services. And for this, you will have to plan strategy and that planning you will need to explain in this section.

Your marketing plan can be divided into the following sections:

Pricing

Explain your product or services pricing here in this section. Mainly, discuss how you finalized your pricing and how your pricing is better than the competition. Also, discuss if its low-cost or premium offerings and how your pricing supports it.

This will ensure investors also that you do have finalized your pricing with proper research.

Promotional Plan

In this section, talk about your marketing activities and strategies that you will execute to attract your customers.

It is always great to have some unique selling propositions (USP). However, Unique selling propositions should be short and self-explanatory. For example, Domino's Pizza USP is "We deliver hot, fresh pizza in 30 minutes or less, or it's free."

Also, discuss your other marketing or promotional activities that may include discount offers for early customers, media or online advertisements, product launch or social events, radio newspaper or magazine ads, affiliate or referral program, etc.

In this section, you can also write about your customer relation and support team and how they will work to retain your existing customers.

Distribution Plan

The main purpose of your marketing plan is that customers buy your products or services. So it is important to explain how they can buy your products or services.

Your distribution plan will include all details about your distribution channel, sales channel & strategy, and payment policies.

Once you complete writing your marketing plan, make sure your marketing plan answers these key questions clearly.

- **What will be the pricing of your offerings?**
- **How will you reach out to your target customers?**
- **How will you retain your customers to buy from you repeatedly?**
- **How and from where customers can buy your products and services?**

Your marketing plan can be itself 7-8 pages long. However, while writing your business plan, make sure you do not go in details and try to keep it as simple as possible. You can separately write your marketing plan for internal purposes.

Operations Plan

Your operation plan will explain how you will manufacture your product and run your business. Your operations plan can include a lot of details depending on your business. For example, if you are in the production business, you will want to include all the information about how you will get raw materials, equipment, build your products, and shipping it.

However, it is not recommended to include all these details while writing the operations section of your business plan. You should include only major details that you think will give you a competitive advantage or important for your readers.

In this section of your business plan, you can also list out key milestones you want to achieve in the future and the target dates for achieving them.

An operations plan is useful for internal purposes as it will help your team to understand their roles to achieve your business goals. However, it will help investors also to learn how you will run your business to make your business succeed.

Management Team

The management team should be the easiest section of your business plan because, in this section, you will need to write about yourself and your core team members who will run the business.

Always remember, businesses' success will depend on the team who are running it. So it is important that you write this section carefully and convince your readers or investors that you are the best person to execute and run this business.

Many investors believe it is not the business that succeeds, it is the team that makes the business successful. In fact, in some cases, investors have funded start-ups mainly on the basis of the team who will run the business.

In this section, list out important details of core team members like name, position in the company, contact information, qualifications, past experiences, and achievements, etc.

You can also mention if there are any management gaps present in your organization and when are you planning to fill those gaps. You can also mention if there is an advisory team or board of members who might not work in your organization but will advise you from outside.

Financial Plan

The financial section of the business plan is the most important component of the business plan. Whatever you will write in the business plan will be conceptual until you do not add some numbers to support it.

It is mandatory to have a financial plan if you want to secure outside funding from investors or bank loans from financial institutes. Even if you do not need funds, it is always helpful to have a financial forecast to achieve your business goals and make your business successful. Financial forecasting will give you a clear idea of whether your business is viable or not.

Your financial plan will include the following sections.

Revenue Model

The main purpose of this section is to explain the different revenue streams of your business. Do you sell products? Do you provide services? Do you provide third-party advertisements? Do you sell all of the above?

It is equally important to update this revenue model section, once you start generating revenue. Use the revenue model as a living document to improve your plans, focusing on revenue streams that work best, while changing your approach to those that aren't doing well.

Financial Highlights

In this section, you will need to include financial reports like cash flow, balance sheet, profit & loss, projected revenue, operating expenses, etc.

Funds Needed

This section is required if you are looking for funds to run your business operations. Before you directly request for funds, it is good to explain your current financial situation, how much you have already invested, and how much funds you already have secured.

Once you explain your current financial position, it is time to explain what type of funding you are looking for and what are your preferred options to secure funds. It is important to update this section once you secure funding.

Use of Funds

Once you explain how much funds you are looking for, it's time to explain how you will use those funds. You are going to use it for hiring new talents, expand your operations, paying your existing debts, or buying new equipment.

If you are going to use funds for multiple things, mention each and also mention how much funds you are going to spend for each thing. Investors or financial institutes usually approve funds if they have a clear idea about how you are going to use their money.

Exit Strategy

If you are looking for equity funding, it is important to have an exit strategy. A common exit strategy includes selling your company to a larger firm (acquisitions), selling or diluting your ownership, initial public offering (IPO), etc.

If you have such plans, provide a detailed explanation of it in this section.

With upmetrics, business financial forecasting is easy and fun. Once you add your data, the system will generate all required reports automatically. Later you can embed those reports into your business plan. [learn more about the upmetrics financial planning feature](#).

Supporting Documentation

Adding supporting documents is not a mandatory section in your business plan. However, it is important to add if you have any documents which you think can convince investors that your business will succeed, you can add those documents here.

These documents can include achievements, product patents, awards, financial statements, resume of key team members, legal agreements, product or organization pictures, etc. These documents can help readers understand your story clearly and concisely.

That's all about how to write your business plan. remember, writing your business plan is not always about impressing investors or securing funds, the main purpose of writing a business plan is to convince yourself that your idea does make sense and can be a viable business.

Once you write your business plan, it is equally [important to update your business plan](#) as your business grows. Keep in mind, a business plan is not just a document but it is a road map of your business.