The CISE Guide to Writing a Business Plan

Obviously, there is no single "correct" business plan. They can be organized in a variety of different ways and many different processes can be used to create them.

Parts of a Business Plan

A business plan typically has the following parts:

**Executive Summary.** The Executive Summary is a concise statement of the entire business plan. It is usually the first thing that outside parties read and may be the only part of the plan that they read.

**The Product or Service.** A detailed description of the features and components of the product/service. This should include the amount of research and development that remains to be completed (sometimes called the stage of development) and the value proposition. As a general rule, products that people must have are preferred to products that people want to have.

**The Market.** A description of current and potential buyers, and how buying decisions are made. This should include the current size of the market and how it is expected to grow over time. It should also include a discussion of any relevant regulatory issues. As a general rule, businesses that have recurring income are preferred to those that do not. So, for example, software for a cell phone that includes monthly usage fees is likely to be preferred to software for a cell phone that is purchased outright.

**Competitors.** A discussion of other companies and products that might compete with yours. This should include a description of the industry structure and any defensive strategies that you might employ to prevent competitors from gaining market share.

**Marketing/Sales Plan.** A discussion of how you will advertise, distribute, and sell your product/service. This includes a discussion of how you will generate a market, the distribution channels you will use, how you will set prices, and how all of these decisions will influence revenues.

**Operations Plan.** A discussion of how you will operate your business. This includes a description of the production process, the shipping process, the way in which you will handle returns, and the way in which you will support your product/service. Don't underestimate the need for service -- many small businesses have failed because they couldn't support their customers after they sold to them.

**Management and Organization.** The backgrounds of the people that are currently involved in the effort, and their responsibilities going forward. Many investors say that they are more interested in the team than they are in the product.

**Financials.** Your financial projections as well as the key assumptions used to generate them. This section should also include your funding requirements, how you plan on obtaining funds, and how you plan on using them. It should also include a discussion of the risks associated with your business.

Writing a Business Plan

As discussed above, there is no "correct" way to write a business plan. This section describes one possible process you might use.

The first part of the process is to collect the relevant data. This includes: information about the team (e.g., biographies, organization chart), information about the product/service (e.g., descriptions, technical specifications, competitive advantages, intellectual property issues, regulatory issues), information about the market and competitors (e.g., market size, data about competitors), marketing and sales plans, and financial information.
The second part of the process is to identify the audience. Business plans can be written for many different reasons and many different audiences. A general purpose business plan is usually a bad business plan. Know your audience and target the plan for that audience.

The third part of the process is to outline the plan. It is particularly important to decide what information will be presented where. If you can't make these kinds of decisions early it is likely that the team does not understand or agree on fundamental issues.

The fourth part of the process is dividing up the work and assigning due dates. In general, each section should be written by the team member with the most expertise in that area. However, other team members should be careful to review each section to ensure that it will be clear to readers with limited expertise.

The final part of the process is iteratively writing and reviewing the parts of the plan. In general, one person should be responsible for pulling the parts of the plan together and making it read like it was written by a single person.

**Other Guides to Writing a Business Plan**

You might also find the following "guides" helpful:

- [Small Business Administration (SBA) Guide to Writing a Business Plan](#)
- [NYS-SBDC Practical Guide to Preparing Your Business Plan](#)
- [Lessons from the M.I.T. $50K Business Plan Seminar Series](#)