

The Art and Science of Business Plans

Garrett Information Enterprise Center (GIEC)

Business plans are a necessary and important part of the business building and management process. A business plan serves as a roadmap for a business – providing both specific goals and the strategies to achieve them. In addition, the business plan building process forces leaders to identify and build strategies focused on key market characteristics, opportunities, threats and issues.

The following represents a simple summary of a typical business plan structure:

- I. Executive Summary – A simple overview – usually no more than one page in length – that summarizes the business, its products, target markets and plan. This is most often completed after the rest of the plan has been written.
- II. Business and Product Description – This section provides a profile of the products or services the business will offer, what their features and benefits are, planned value propositions and why people will buy the product (needs, wants, decision criteria and pain points). Also includes key revenue and expense drivers and pricing strategy.
- III. Market Definition – A detailed description of the “who” and the “why” of the market the business is targeting to buy their product or service. This section describes the specific segments that will be targeted, their demographic profile, why they are good prospects, how they make their decisions and how they can be reached. It should also discuss the industry and the competitors the company will face.
- IV. Organization and Management – This section can and should cover the mission of the business, its planned culture and values (i.e., service excellence) and its leadership team and structure.
- V. Marketing and Sales Strategy/Tactics – This section is often called the “go-to-market plan” as it describes how the company will reach the marketplace to communicate and sell its products and services. This

- section should include something called the “marketing mix” that details all of the integrated efforts the company will employ to market. These may include advertising, networking, personal selling, Internet-focused programs and public relations.
- VI. Financial Projections – A section that provides the reader with insight into the key drivers of both revenues and expenses and what the efforts of running the business will yield in the form of financial outcomes. This usually includes a simple income statement and balance sheet and perhaps a cash projections statement to track cash flow.
 - VII. Exhibits – Many business plans include a section of exhibits that are relevant and support the previous sections of the plan. Exhibits might include articles, competitor information, market reports, product photos, planned advertisements, etc.

The above represents a summary of business plan structure and content. Again, it is important for the entrepreneur to realize that, of perhaps greatest importance, is the discussion, thinking and even the debate that surrounds the creation process.

Garrett College is dedicated to the support and education of current and future entrepreneurs. Please contact Mike Tumbarello, the coordinator of the GIEC and the leader of the Garrett Center for Entrepreneurship, to learn about Garrett’s classes, programs and incubator capabilities. Mike can be reached at:

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