GUIDE TO

WRITING A BUSINESS PLAN

2020 VERSION

COMPANY LOGO

COMPANY NAME

***Enter this paragraph (as is) in your business plan***

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|  TO BE DELETED WHEN ENTERING YOUR INFORMATION |
|   | **Feel free to contact us any time for further information or to ask us to check over your business plan!**We hope that this tool will be useful to you and we wish you good luck in your endeavours. We invite you to **be creative and adapt this guide to your reality**. To dive deeper in the different sections, you will find a lot of advice and information in the *Tools and resources* section of our website: www.pmemtl.com |

Address

Website

Phone

Name of contact person

Email

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# Summary

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|  TO BE DELETED WHEN ENTERING YOUR INFORMATION |
|   | This page briefly summarizes all the important aspects of your project (who, what, how, why, demonstration of business relevance, need or opportunities). It's a quick look at your business project and your financing needs. |

First paragraph

Presentation of your company, your products/services, your target customers and your location.

Second paragraph

Description of your start-up or expansion project, expected revenues, number of jobs you will be able to create/maintain, facts that demonstrate the business opportunities for your project.

## Project costs and financing

|  |  |
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| **Project Costs** | **Financing** |
| Start-up costs | $  | Capital outlay  | $  |
| Working capital  | $  | Borrowing 1  | $  |
| Inventory | $  | Borrowing 2 | $  |
| Equipment  | $  | Grant | $  |
| Office supplies | $  | Others | $  |
| Marketing expenses | $  |  | $  |
| Leasehold improvements | $  |  |  |
| Other | $  |  |  |
| **TOTAL** | **$**  | **TOTAL** | **$**  |

Sales forecasts (or actual sales)

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Year 1** | **Year 2** | **%** |
| Sales  |  |  |  |
| Cost of goods sold  |  |  |  |
| Gross margin |  |  |  |
| Net Margin |  |  |  |

# Company

## Mission

Purpose of the company (in a sentence or two)

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| **EXAMPLE /** Design, manufacture and sell clothing accessories for children from 0 to 12 years old. |

## Offer and value proposition

Products/services offered, needs or problems identified and benefits to the client.

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|   | You need to highlight what makes your business stand out (e.g. its social impact and/or its innovative aspect). |

## History

Origin, purpose of the project and motivations

## Revenue model

Entry of income

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|  TO BE DELETED WHEN ENTERING YOUR INFORMATION |
| **EXAMPLE /** Sale of products/services directly to consumers, usage packages, subscription fees, rental revenues, business licenses, advertising revenues, franchising, distribution, etc. |

## Management team

Developers/shareholders, % of shares, functions and roles in the company, training, diploma(s), project skills and experience, entrepreneur's network (collaborators, partners, mentors, key professionals related to the project, advisory committee, etc.)

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|   | If you are not the sole developer of the business, you must attach the written agreement between you and your partners and indicate the distribution of the capital stock of the business or co-operative if it is incorporated or the distribution of profits (losses) between partners if it is not incorporated. |

## Legal structure

Legal structure chosen for your company and reasons for choosing it.

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|   | Attach a copy of the attached official documents if the step is completed (e.g. charter of incorporation or certificate of registration). |

## Objectives and timeline of achievements

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|   | Objectives should be SMART: Specific, Measurable, Attainable, Realistic and Time-bound. List the main objectives you wish to achieve. An objective must be verifiable. Also, it must be time-bound and measurable so that you can determine whether it has been achieved. |

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| **EXAMPLE /** Reduce production losses by 20% in the second year. Be established in five years. |

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|   | You must specify your short-, medium- and long-term objectives, both quantitatively (expressed in terms of sales forecasts, desired profit or return on investment) and qualitatively (e.g., adding products or services, expanding, acquiring new technology, etc.).Short term / less than 1 yearMedium term / between 1 and 3 yearsLong term / more than three years |

Qualitative and quantitative objectives to be achieved in the short, medium and long term

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| **Year 1** |
| Marketing / Communications­ |  |
| Operations |  |
| Sales  |  |
| **Year 2** |
| Marketing / Communication­s |  |
| Operations |  |
| Sales  |  |

Main steps leading to the launch of your business

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|   | List the steps you have taken and the people you have met to date as well as steps you plan to take next. |

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| First sales (year 0000) |
| **Month** | **Objectives** |
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| **EXAMPLE /** First sales (year 0000)

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| **Month** | **Objectives** |
|  April | • Find a subcontractor for manufacturing.• Find a distributor to sell to retailers. |
|  May | • Obtain 3 contracts with retailers for the next collection. |
| 12th month | • Repeat each month during the first year. |

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| **Long-term vision (years 0000 and 0000) / 3 main objectives**  |
| **Month** | **Objectives** |
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| **EXAMPLE /** Long-term vision (years 2021 and 2022)

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| **Month** | **Objectives** |
|  April 2021 | • Penetrate a new market (international sales, new product to market, new clientele, new branch). |
|  December 2021 | • Reach $100,000 in sales, 20,000 customers, etc. |
|  2022 | • Hire 5 new team members. |

 |

# Marketing

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|   | In this section, the main objective is to measure and estimate the target market to determine if your project meets a need AND a demand. Your target market is the entire target clientele potentially interested in your product/service. |

## Sector of activity of the company

Sector in which you operate, how it works, trends, ease of entry, external environment (analysis of external factors that may influence your sector of activity and that may or may not have an impact on your business).

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|  | **Threats / Restrictions** | **Opportunities** |
| Political / Legal |  |  |
| Economic |  |  |
| Socio-demographic |  |  |
| Technological |  |  |
| Environmental |  |  |

## Potential market and target clientele

Target market and description of your clientele: consumer habits, age, sex, education, professional status, place of work, place of residence, family income, other relevant characteristics, reasons why you offer your products/services to this particular clientele.

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|   | It is wrong to think that a product/service will be bought by everyone and anyone. It is important to describe your target customer who will bring you recurring revenues. |

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| **EXAMPLE /** Charles is a 26 year-old single man who lives alone with his cat on the Island of Montreal. He has a good job at CN as a computer technician, with an annual salary of $50,000. He lives in a small studio apartment: this allows him to save a lot and to go on regular weekend get-aways. In addition, he travels at least once a year. He makes all his reservations with his cell phone, which he also uses to buy anything he needs to buy. |

## Competitive environment

Portrait of direct and indirect competitors, names, prices, quality of products/services, availability, location, experience

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|   | An indirect competitor does not engage in the same type of activity, but offers a product/service that can be consumed or used as a substitute. |

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| **EXAMPLE /** Indirect competitor of a restaurant: a bowling alley; indirect competitor of a gym: a yoga class; indirect competitor of an amusement centre: a library, a museum, a bowling alley, etc. |

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| **Competitors** | **Strengths**  | **Weaknesses** |
| Competitor 1 |  |  |
| Competitor 2 |  |  |
| Competitor 3 |  |  |

Competitive Advantage

Main customer benefit and key selling point or distinctive attribute: the promise you make to your customers to convince them to change their consumption habits and buy your products/services instead.

SWOT Analysis

The strengths and weaknesses of your project, the opportunities you can seize and the dangers you need to avoid.

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| --- | --- |
| **Strengths (internal)** | **Weaknesses (internal)** |
| (+)(+)(+) | (-)(-)(-) |
| **Opportunities (external)** | **Threats (external)**  |
| (+)(+)(+) | (-)(-)(-) |

## Marketing plan

Sales price and pricing strategy: estimate of monthly sales, price list, cost of goods sold and profit margin, market penetration strategy.

## Distribution

Distribution or service delivery model: direct sales, distributors, wholesalers, online sales.

## Advertising and promotion

Strategies for reaching clients in the first year

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| **Marketing** **activities / Means** | **Target clientele** | **Month | Year** | **Cost ($)** | **Results** |
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# Operational plan

## Production process / service delivery

Steps to carry out the company's activities, reason for subcontracting if applicable.

## Permits and regulations

Permits and licences required to operate the business; federal, provincial, municipal and borough regulations.

## Location

Commercial establishment or head office, criteria that guided the choice, leasehold improvements to be made, site traffic statistics.

**Procurement**

Procurement policy, list of major suppliers.

## Human resources

Organizational Structure

Roles and responsibilities of each person (including sponsors) within the company, remuneration, qualifications, skills required for the job.

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| **At start-up** |
|  Position |  Remuneration | Name and function |  Roles and  responsibilities |  Qualifications  required |
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| **Long term (In three years, what will your team look like?** **Will it be the same or will there be additional positions)?** |
|  Position |  Remuneration |  Roles and  responsibilities  | Qualifications required |
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|   | You will probably need outside help in some areas of expertise. You should mention what kind of help you will be seeking from outside the company (lawyer, accountant, notary, etc.) |

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| **Adjunct professional services (freelancers)** |
| Name | Function | Fee | Address | Telephone |
|  |  |  |  |  |
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Human Resources Policy

Strategic framework (context, mission, values...), company rules, compliance with legal standards, work atmosphere, hiring process and employee career path.

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|   | This is an essential tool that clarifies your expectations for all the members of your team (salaried employees, volunteers, freelancers) and motivates everyone towards a common goal: the success of your project. |

## Production resources

Physical or other resources needed to ensure your business production and operation.

Building and Land

Premises found or sought and their main characteristics or your needs (surface area, location, zoning).

Production Equipment

Equipment required from the start of your operations (office, computer, production and operating equipment, machinery, rolling stock, software) and assets in your possession that you will transfer as an investment in your business.

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|   | For an asset transfer to be considered, it must be fully paid for. If it is leased or mortgaged, it cannot be calculated as part of the developers' capital outlay. |

Starting Inventory

How much inventory you will need to start your business.

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|   | You must present each item in your inventory, the quantity needed and its unit price. Enter this amount in section X, taking care to specify whether you already have this inventory on hand or whether you must purchase it during the first two months of operation. |

## Legal framework

Legal conditions of sale, contracts, lease, insurance, intellectual property, data protection, non-competition clauses and/or non-disclosure of information, patents or licences (acquired or to be acquired, costs, protected territory), right of use, trademark.

# Financial forecasts

## Project Costs and Funding

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|  TO BE DELETED WHEN ENTERING YOUR INFORMATION |
|   | In the LEFT COLUMN, you must indicate the total costs of your project. In the RIGHT COLUMN, you indicate the sources of funding for your project. The total of the two columns must be the same. |

|  |  |
| --- | --- |
| **Cost** | **Sources of financing** |
| Working capital | $  | Capital outlay | $ |
| Cash |  | Cash |  |
| Starting inventory |  | Transfer of assets |  |
| Start-up costs |  |  |  |
| Fixed assets |   | Money borrowed |  |
| Land |  | Short-term loan |  |
| Building |  | Long-term loan |  |
| Leasehold Improvements |  | Line of Credit |  |
| Furniture |  |  |  |
| Equipment |  | Loan guarantee |  |
| Car |  | CFDC Loan |  |
|  |  | CLD Loan |  |
| Others |  | SOLIDE |  |
|  |  |  |  |
|  |  | Grants |  |
|  |  | Jeunes developeurs program |  |
|  |  |  |  |
|  |  | Other |  |
|  |  |  |  |
|  |  |  |  |
| **TOTAL** |  | **TOTAL** |  |

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|   | You must make detailed tables for each of the elements that make up the table above. |

## Sales Forecasts

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|   | For a manufacturing company:Identify each of the products manufactured and its unit selling price.In the table, record the number of units sold each month - take seasonality into account!For a service company:Your product = one hour of servicesThe unit price corresponds to your hourly rateIn the table, enter the number of billable hours for each of the following period - take seasonality into account!If you have different customers or services, list them as a separate product (= separate hourly rate) |



\* Click on the table to access the full spreadsheet *(only available in French for now)*.

## Cash Budget Forecast



\* Click on the table to access the full spreadsheet *(only available in French for now)*.

## Income Statements

\* Click on the table to access the full spreadsheet *(only available in French for now)*.

# Annexes

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| **EXAMPLE /** CVPersonal balance sheetSigned contracts or examples of contracts to be signedShareholder agreementsCertificate of IncorporationMarket study and survey Floor plans and specifications |