**BUSINESS PLAN QUESTION AND ANSWER TEMPLATE**

**Business Idea**

1. Provide an overall description of your business idea. What product(s) or service(s) do you intend on offering?
2. Who is necessary for the opening of the business i.e., what are your staffing needs for launch?
3. How will the product be distributed? How will customers receive your product?
4. When would you like to be in operation/launch your business?
5. Where are your customers be based/located?
6. Where will your business be located?
7. What problem/need does this product or service address? If there is no problem solved, what is the competitive advantage (unique selling point) or perceived opportunity you’re leveraging?
8. What are the growth opportunities associated with the business? Where do you see the business in 3-5 years?
9. What are some of the risks/limitations that could impact the success of the business? Only detail things you cannot control (i.e external risks).

**Business Mission, Values and Goals (\*Optional)**

1. What is the social agenda for the business? This will be considered your Mission.
2. What are some of your core values (3-5 points)?
3. What are some of your goals? Are they in sync with your mission and plan? Are these goals tangible and attainable? Do your goals have timelines? Are they arranged to reflect the chronological order in which you intend to achieve them?

**Company/Entrepreneur Profile**

1. Is my business a start-up or am I trying to grow an already existing business?
2. If I have an existing business, what progress/growth has happened to date? What are some of the key contributing factors to this progress/success?
3. Why am I the right person to start this business? What are some relevant work experiences, educational or volunteer experiences, skills, hobbies, interests that I have that can help or contribute positively to the business? These points should be extensive.
4. Always a good idea to include a copy of your Standard Resume in your business plan.

**Customer Profile**

1. Are you selling to customers (individuals) or businesses? B2C or B2B, etc.
2. What are the needs of these customers?
3. Are my customers significantly widespread and diverse enough to divide splits into different customer segments? If so, are these segments significant enough to warrant varying approaches to service, prices, or promotional strategies? If so, identify your customer segments.

For reference purposes, good questions to ask yourself when identifying customer segments would be:

-What are the buying habits of these customers?

- What are the profiles of these customers (consider things such as age, gender, marital status, family size, education, occupation, social interests, etc.)?

- What is the motivation of these customers? What needs do they require to be solved, met or addressed by purchasing your product/service?

- Do they currently buy a product similar to yours, and from where?

- How often would the customer purchase your product? How much would customers purchase at once?

- What benefit/value are they providing the customer? What is most important to them?

- Are purchases usually more impulsive or do they require extensive research by customers before purchase is made?

**Market Description**

1. Where do you intend on operating your business (geographic trading area)?
2. Can you define your trading area(s) according to segments e.g., primary, secondary, and tertiary trading areas?
3. What is the population in the trading areas?
4. What complimentary business exists there?
5. Are there any potential referral sources? Any collaborators in your trading area(s)?
6. What is the actual total market size?

Answering the above questions will require secondary market research. Consult the Business Planning Template for more information and feel free to reach out to your Business Consultant.

**Competition Analysis**

1. Who are your direct competitors?
2. What are some of their most prominent strengths and weaknesses? Feel free to include a SWOT analysis.
3. What products/services do they offer? At what price points/range?
4. Where are they located? Do they have a physical location? (consider how they can be contacted e.g., website, telephone number, etc).
5. What promotion strategies do they have in place? How do they advertise?
6. Do they have any forms of customer service? What are some highlights and drawbacks of this service? Ensure to remain objective.
7. How strong is their social media presence and online engagement? Check reviews online.
8. Who are your indirect competitors? What are their strengths and weaknesses?
9. What product or service do they offer? At what price?
10. What are their promotion strategies?

**Market Research**

1. What form(s) of primary research (where **you** obtain new information) do you plan on conducting? What form(s) have you already done?
2. What form(s) of secondary research (info that has **previously** been provided and recorded) have you gathered?
3. Present key findings from both your primary and secondary research (2-3 statements each).

**Here are some important questions your Research should attempt to answer. This section could also be called “Industry/Market Opportunities”**

1. What is known about the industry that you will be operating? Is it growing or shrinking?
2. What are noticeable gaps in the industry/market?
3. What are some current problems with the industry (social, cultural, legal)?
4. Can you present research that outlines the gap your product/service will fill?
5. Is there anything that you want to highlight to inform the reader about your industry that you consider important, and you want the reader to be aware of?

**Market Estimate (can be completed at the end of the document. Consult your Business Consultant)**

“Based on the above business idea description and market research, the owner/operator \_\_\_\_\_ believes they can provide \_\_\_\_\_number of consumers and/or customers in the \_\_\_\_\_\_ area with \_\_\_\_\_\_\_\_ products at \_\_\_\_\_\_\_\_\_\_\_price \_\_\_\_\_\_\_often.”

1. Be prepared to make commentary on your financial projections, schedules and statements after they’ve been created/presented at the end of this business plan. You can include this information in your Market Estimate at the end of the business planning process.
2. Is this business profitable and sustainable? State your case as to why. i.e., what is the relationship between your Market Estimate and Financial Projections? This is where you want to provide a description and rationalization of your sales projections made in your financial projections. The reader of your business plan should understand the sales projections you have made, and understand why these projections were made and the research that supports them.
3. How do you intend on taking advantage of the gaps presented in the marketplace?

**Start-up and Operation Costs**

Before beginning, consider what aspects of your business will be handled in-house versus contracted out.

1. **Distribution**
2. How will the products/services get to the customer?
3. What will be the cost of this process, if applicable?
4. How will the distribution method affect the time frame of production (delivery), if applicable?
5. **Location**
6. Where are you locating your business? Why is it located here?
7. Is having a physical location essential/required?
8. Validate why you selected your location. If it is a ‘prime location’, will you see a return on your investment?
9. What are the costs associated with this location? Rent/Fees/Utilities/Renos, etc.
10. **Pricing**
11. What are the costs (direct/indirect/overhead) associated with selling the product/service?
12. How much will you charge for products/services? Why?
13. How do your prices compare to those of your competitors?
14. Describe your profit margin. Does the price point you've selected leave room for profit while still satisfying customer needs and concerns?
15. How important is price to the buyer?
16. **Customer Service**
17. What are those extra services (little things) you can provide to customers to meet their needs while making for a memorable experience?
18. Will these services impact potential profits? If so, how?
19. How many of these extra services will command some type of cost? Which are cost-free?
20. **Marketing, Advertising, Branding and Promotion**
21. How are you going to inform your potential customers about your business? What is your Advertising plan?
22. What tools (marketing materials) will you will use to spread the word about your business and satisfy your Advertising plan? Detail the functionality of materials you will use and describe their intended impact.
23. Do you have a specific promotion schedule planned? Why did you choose this particular mode of scheduling? A promotion schedule details the timing and frequency of your marketing activities and lists dates, costs, deadlines for submitting ads to advertisers, the likelihood of continuity, etc. A Sample Promotion Schedule is included at the end of the document.
24. What is your intended brand for your business? How will you relay this to your customer?
25. What is the voice and personality of your business? Why have you chosen this voice?
26. **Quality Control**
27. What do you consider to be high quality in your product or service offering in your business?
28. What specific measures will you put in place to ensure the quality of your product/service does not diminish?
29. What key performance indicators or metrics will you use to assess or track efficiency/effectiveness (health and safety standards, delivery times, customer satisfaction ratings)?
30. How will you monitor what customers think of quality? Will you introduce checkpoints, checklists, exit surveys, etc.?
31. **Suppliers**
32. Who are your suppliers?
33. What will you purchase from each? (List all relevant information concerning suppliers) .
34. Why are you using these particular suppliers? Consider things like the merchandise they carry, price, the convenience of location, consistency of delivery, fairness in handling complaints, ethics, supplier diversity, etc.
35. What are the agreements between you and your suppliers e.g., shipping terms, payment terms, trade credit rates, etc.?
36. **Inventory and Supplies**
37. What items are you going to have as beginning inventory? (Include amounts and values)
38. Why will you begin with this particular number of items? Why not more/less?
39. What will be the ongoing inventory levels?
40. If you’re producing a product, what is the production capacity?
41. How will you deal with possible interruptions in supply (supply chain disruptions)?
42. **Equipment**
43. What equipment will be required to start the business i.e., tools, equipment, computer, vehicle, etc.?
44. How much of the equipment are you (the owner/operator) able to contribute towards start-up? Ensure to use present market value, not what you originally paid for them.
45. **Human Resources**
46. Who will operate and/or manage the business? What are their credentials and background?
47. How many people will be employed by the business? Is it just you?
48. If it is just you, who would fill in for you if needed? Do you have a contingency plan?
49. If it is just you, what are the duties you will perform in your role?
50. If you require staff, what will be the duties of each person working with the business? What are the necessary qualifications to perform these duties?
51. Who will do the recruiting, hiring and training of staff? Give details.
52. What is the budgeted salary for each staff member (weekly, monthly, annual, etc)? Consider the employee benefits you are responsible for, including your own.
53. What budgeted salary/owner's draw will you be taking from the business?
54. What is the base salary you require? Is it important at this point to determine a base salary you need to live? Check back on this question after the completion of financial schedules and statements. This will allow you to determine feasibility.
55. What are the contingency plans if things do not go as planned?
56. **Payment Methods and Credit Collection**
57. Are you going to offer trade credit to customers? That is, allowing them to receive the product/service now and pay for it at a later date?
58. How will you decide which customers are granted credit?
59. If you are offering credit, what will be the terms of your credit?
60. What steps will you implement to follow up on overdue accounts? Will you issue letters, invoices, charge interest, or take legal action? List other options.
61. What flexibility do you have for broken agreements regarding overdue accounts?
62. **Legal Form and Structuring Your Business**
63. What legal form will your business take (sole proprietorship, partnership, incorporation)? Why? It will be useful to seek advice and discuss with a lawyer and/or accountant to make the best decision regarding these structures for your business.
64. If you decide to establish a partnership, do you plan to secure a Partnership Agreement?
65. **Legal Requirements**
66. Consider licensing and permitting requirements. It is recommended that you break down the three forms of government (Federal, Provincial, Municipal) and address the needs of each.
67. What secondary/industry-specific guidelines are you required to properly operate your business? (Some businesses/sectors have requirements and guidelines that you need to follow).
68. What are the costs required to fulfill these legal obligations?
69. Aside from legal requirements, are there any other industry/association requirements you need to meet before starting a business? List them here.
70. **Bookkeeping, Banking and Accounting**
71. How will your bookkeeping records be kept? By whom?
72. What information will you capture?
73. What system will you use to capture this information? How frequently will you capture this information?
74. What is the cost of bookkeeping services (weekly, monthly, annual)?
75. Where will you conduct your business banking (what bank)? Why is this bank selected?
76. Are there monthly/annual banking fees? How much should you budget for each?
77. Are there any fees to be budgeted for book-keeping and/or accounting services (weekly, monthly, annual, etc)?
78. **Insurance**
79. What type of insurance do you require for your business? e.g., Public Liability, Cargo, Inventory, Property, etc.?
80. How much will the coverage cost? What are the deductibles? What is the cost of the premium?
81. How/when will the insurer be paid? Monthly? Quarterly? Annually, etc?
82. Are down payments needed (i.e, are insurance requirements required for start-up?)

The next step is to detail all start-up and operations costs. Review each sub-section and determine what costs are Start-up, what are Operations, and what might be both (provide a description that outlines each of these costs). If a cost is listed as Operations, state the **frequency** at which you’ll incur these costs (e.g. weekly, monthly, etc). Use the Templates provided as a guide/sample (these will likely need to be customized to meet your specific needs).

**Start-up Costs**

1. What start-up costs (be it confirmed or potential) will you have to incur (cash/working capital, location, promotion, inventory/supplies, equipment, legal formation, legal requirements, accounting and bookkeeping, banking, insurance)?
2. What will be the total of all start-up costs?

**Operating Costs**

1. What are your operating costs? Consider things like wages, benefits, rent, utilities, telephone, promotion, office supplies, repairs, permits, gas, insurance, bank charges, etc.
2. How often will these costs be paid e.g., annually, quarterly, monthly?

**On Borrowing Needs (Financial Requirements)**

1. Are you required to borrow money to start your business?
2. If yes, how much do you need to borrow? You can calculate this by determining the total money required for Start-up less any cash or assets you can contribute yourself.
3. Where will you source the required funding? What organization(s) will you approach? Make sure you consider things such as the terms of the financing, interest rates, and payment schedules offered by funding sources.

The above-listed questions will likely be unanswerable before the completion of the business plan. That does not mean you should not open the lines of communication with these organizations/individuals at this stage.