



STRATEGIC BUSINESS PLAN GUIDE

Grow Your Business

Dear Reader,

It's generally understood that companies with a formal business plan are more successful than those that do not have a plan. Owners and employees are able to work smarter and are able to focus on key areas of the business that influence the company's performance.

Without a doubt business is more competitive. In today's marketplace, companies are becoming leaner and more flexible. Business owners need access to skilled employees, reliable processes and effective tools to keep ahead of the competition. Ask yourself these five essential questions:

1. How can I take advantage of technology and apply it to my business?
2. How can I improve sales revenues and increase the bottom line?
3. How can I improve marketing activities and make every dollar count?
4. What do I need to do to gain a competitive advantage?
5. What steps do I need to take to increase my business effectiveness?

It is important to recognize that a business plan is not a document – it is a set of management decisions about what a company will be doing to ensure success in the future. In its most basic form, the business planning process facilitates the following decisions:

- What products or services the business delivers
- Where will the business compete
- Why should customers do business with the company
- Who are the target markets and how you reach them
- How can the company organize and re-engineer itself to accomplish the goals
- What changes or actions need to be implemented to achieve the goals and targets

A business plan establishes a framework for reviewing key decisions in the ongoing management of the company. As new developments and opportunities arise, a business plan provides a rational structure for evaluating the impact on operations and overall performance.

Most importantly, a business plan and the process of developing one, can be used to educate and motivate key employees in the company. Through the process, employees learn more about the total operation of the company and how their specific areas of responsibility relate to the achievement of the company's overall goals.

Sincerely,

Greg Spafford

Managing Director, Firstbase Business Services



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What is a Business Plan?

A business plan describes everything from your unique selling proposition to the assets you'll need and the skills and resources you have to succeed.

Every business is different. As a result there is no set format as to what your plan should contain, however as a guide you should aim to include the following:



Executive Summary

This is the opening section of your business plan, describing what your business is and what it will do. As the first thing a potential investor will see, this section will need to be as impactful as possible.



Operations Plan

The finer details of how your business will operate from day-to-day. This includes your business premises, location, IT systems and how the goods or services will be supplied or manufactured.



Business Opportunities, Products and Services Description

An outline of the industry background, as well as the unique selling point of the product or service you're offering. This section should also detail any trademarks, patents or design registrations you hold.



Management Team and Personnel

The credentials of the people who will help you run the business, including your own background and achievements. Add details for any anticipated training or recruitment costs.



Market, Competitors and Sales Strategy

Why will customers buy from you over your competitors? Is there a gap in the market for what you have to offer, and if so why is that? Your marketing strategy and the details of your target market should also be included here.



Financial Forecasts

Perhaps the most crucial section of your business plan, stating a detailed projection of the funds you'll require and how much revenue you expect each year once you're up and running, including a sales forecast, cash flow statements and your expected profits and losses.

Preparing your Business Plan

A business plan will take time and effort to prepare. It should be presented in a professional manner, preferably as a bound booklet, with your company logo and a cover page.

A business plan precisely defines your business, identifies your goals, and serves as your firm's resume. It helps you allocate resources properly, handle unforeseen complications, and make strategic business decisions.

What is the purpose of a Business Plan?

A Business Plan is a road map for operating your business and measuring progress along the way. It serves the following purposes:

1. The business plan serves as a blueprint for the direction and management of your business; acting as a framework for strategic planning.
2. It helps you to identify your customers, your market area, your pricing strategy and the competitive conditions under which you must operate to succeed.
3. A business plan identifies the levels of financing or investment required, and methods by which to attain it.
4. A well-organized plan is essential when seeking financial investments or loans.
5. Encourages realism and commitment among your personnel.
6. Shows the potential strengths and weaknesses, and identifies ways to overcome obstacles and reach your goals.
7. By committing your plans to paper, your overall ability to manage the business will improve.

The importance of a comprehensive, thoughtful business plan cannot be overemphasized. Many essential business components are dependent on it:

- Outside funding credit from suppliers.
- Management of your operations and finance.
- Promotion and marketing of your business products and services.
- Plan to move your business to the next level to reach your goals and objectives.

Despite the critical importance of a business plan, many entrepreneurs drag their feet when it comes to preparing a written document. They argue that their marketplace changes too fast for a business plan to be useful, or that they just do not have enough time.



The Business Plan Blueprint

The key points of a business plan vary widely depending on a broad range of factors. However, there are some standard components that are essential to be addressed within a formal business plan, outlined by the following categories:



Table of Contents

Executive Summary

Section 1.0

The Concept: Services, Product, Technology

Section 2.0

Objectives

Section 3.0

Market Analysis

- 3.1 General description of the entire marketplace for the product or service (including full demographic profile of the sectors and target market)
- 3.2 Precise description of segment(s) to be pursued
- 3.3 Description of intermediate influences on buyers and market channels such as: dealers, distributors, sales representatives, wholesalers, associates, etc.
- 3.4 Competitive conditions — Present and anticipated
- 3.5 Pricing conditions — Present and anticipated
- 3.6 Governmental influences, i.e. regulations — Present and anticipated
- 3.7 History of similar products, services or businesses
- 3.8 Break-even point estimates, i.e. how many units and/or how much of the market has to be sold to cover costs?

Section 4.0

Production

- 4.1 Equipment requirements
- 4.2 Facility requirements
- 4.3 Raw materials, labour and supplies required and sources
- 4.4 Quality control, packaging, transportation, requirements and sources
- 4.5 Program for initial time period
- 4.6 Schedule — Who is to do what, by when?
- 4.7 Budget
- 4.8 Results expected
- 4.9 Contingency plans

Section 5.0

Marketing

- 5.1 Marketing strategies and tactics
- 5.2 Product or service features and benefits
- 5.3 Program for initial time period
- 5.4 Schedule — who is to do what, by when
- 5.5 Budget
- 5.6 Results, goals and objectives
- 5.7 Contingency plans



Section 6.0

Organization and People

- 6.1 Organization Chart
- 6.2 Staffing program for initial time period
- 6.3 Schedules
- 6.4 Budget
- 6.5 Results expected (e.g. brief position description)
- 6.6 Contingency plans

Section 7.0

Funds Flow and Financial Projections

- 7.1 Complete statement of expected sales and expenses for the next sales period
- 7.2 Pro forma Profit and Loss Statements
- 7.3 Pro forma Balance Sheets
- 7.4 Program for monitoring and controlling funds with people and systems including the organization planning

Section 8.0

Ownership

- 8.1 Summary of funding requirements
- 8.2 Form of business — partnership, corporation, etc.
- 8.3 Program for raising equity and/or debt money required, if any
- 8.4 Projected refunds to investors

If you want to get started with a business plan, Firstbase can help. Whether you have an existing plan or you are ready to start from scratch, our team of business consultants can work with you to focus your plan and provide direction for action. Call us today to set up an initial appointment.

“Just as a builder will not begin construction without a blueprint, business owners cannot manage the change and growth without first laying out a business plan.”

Business Feasibility Planning

New Product to Market

The introduction of a new product into the marketplace requires a different approach to forward planning. In many ways it requires a more in-depth review, research and analysis of the marketplace conditions. This outlines some of the key areas you need to consider when introducing new processes or technology, as follows:



Product Definition

- Stage of technical development
- Strengths and weaknesses as a technical solution
- Features and benefits
- Product positioning options — i.e., how it will be positioned in the mind of the buying market



Market and Sales Characteristics

- Market segmentation analysis
- Market size, by segment
- Market growth potential, by relevant segments
- Sales projections (specify method used)



Competitive Environment

- Emerging technology
- Barriers to entry
- Industry trends
- Competitors' position (strengths and weaknesses, market share, 4Ps etc.)



Distribution Channels

- Industry norms
- Analysis of channel structure
- Strategic strengths and weaknesses of specific partnering opportunities



General Market Environment

- Demographic issues and market growth
- Product adoption behaviours
- Legal and regulatory issues
- International commercial context



Plan for long-term success

A business plan is a living document that should be continuously reviewed in light of the environment and actual observed results. This enables the directors and key stakeholders to oversee all aspects of business performance and manage it more effectively.

The dynamic external conditions of the environment in which your company is positioned, as well as those of your internal environment, should prompt a review of your company's strengths and weaknesses. This is done formally through a SWOT analysis, integrated both at the beginning of the business plan, as well as on a continual basis for monitoring and modifications.



Pricing

- Current cost and pricing structures in the industry
- Competitive potential of technology relating to cost and price
- Breakeven analysis
- Forecast of revenues and costs for three years



Commercialization Action Plan

- Prospective market entry strategies
- Subsequent options: do-it alone, commercial partnerships, strategic alliance
- A description of activities, with a schedule, to take the product to market
- Go (backup arguments and/ or conditions for market success)
- No Go (backup arguments with identification of market risks)



Promotion

- Description of the channels for marketing communications
- Analysis of promotional mixes common in the industry
- Analysis of typical industry promotional costs for competing products
- Forecast of promotional costs for product launch and establishing of market position

“Invest in the future, because that is where you are going to spend the rest of your life”

Rethinking the traditional 4 Ps

Marketing plans traditionally examine the 4 Ps of marketing: Product, Price, Place and Promotion. The traditional approach is still valid, however we prefer to examine from a different point of view with an emphasis on Solutions, Value, Access and Education.



Product > Solutions

- » Why does the customer want the product?
- » How does it meet their needs?
- » How and where will the customer use it?
- » How does it work?
- » What does it solve for the customer?
- » How is it different from other products?

Price > Value

- » What is the value of the product or service to the buyer?
- » Are there standard price points?
- » Is the customer price sensitive?
- » What discounts should be offered to trade customers?
- » How will your value proposition compare to the competition?

Target Market

Place > Access

- » Where do buyers look for your product or services?
- » What sales channels do you use to reach your markets?
- » Do you have access to the right distribution channels?
- » Do you need a direct sales force?
- » How are your competitors reaching the same target market?

Promotion > Education

- » How do customers learn about your products or services?
- » What do customers need to know about the benefits of your offering?
- » When is the best time to reach your audience?
- » How is your message standing out?
- » What other similar marketing messages are reaching your target market?

SWOT Analysis

When starting the business plan, the SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis is an essential element. A SWOT analysis examines internal and external conditions to identify opportunities, reduce the impact of threats, recognize weaknesses and build on strengths.

As businesses grow, develop and change so do the operating conditions. To maintain a competitive advantage, a high-level SWOT analysis should be routinely reviewed.

Ask yourself these questions:

- Are we building on our strengths?
- Do we have any new strengths to further develop?
- Have our weaknesses changed?
- Have we maintained our competitive advantage?
- Are we responsive to changes in our industry?
- How can we improve our competitive advantage?
- How is this driving us towards our strategic objectives?

Whether you are starting a new business plan or re-evaluating your business in today's market, the business consultants at Firstbase can help you get started.

Firstbase is here to help your business grow. The application of information gathered from a SWOT analysis helps business owners implement practical solutions to bring the company to the next level of success.

FOUR PILLARS TO ANY BUSINESS

1. SALES

2. MARKETING

3. ADMINISTRATION

4. OPERATIONS

“A good plan implemented today is better than a perfect plan implemented tomorrow”

Benefits of Market Research

Market research can be used as a powerful advantage against your competitors. When done properly, the knowledge acquired through market research can guide strategic decisions for a measurable ROI (Return On Investment).



Types of research

Primary research seeks to find new information. This is generally done through interviews, focus groups and surveys. Primary research can be easily influenced so it is important to have a non-biased moderator to conduct the research.

Information gained from primary research can be quantitative or qualitative. Quantitative results can be measured over time with charts and graphs and the results can be displayed numerically. Qualitative research is more subjective and leads to an understanding of the customer's motivations for behaviour, perceptions of the brand and use of the product or service.

Secondary research uses available resources and analyzes the information through a lens that is applicable to the business. This includes an analysis of statistical profiles for the target markets, industry research reports and competitive analysis.

Applying research for better results

Market research is at the core of business decision-making processes and is a key component to business planning.

Accurate information that is correctly interpreted guides informed decisions to save valuable time and money. Lack of precise and timely information results in flawed decision-making leading to expensive mistakes or failure.

Better sales strategies

- Improve product or service positioning
- Better conversion rates
- Increased sales volume and market share
- Better management of distribution channels
- Effective distribution channels

Better operational efficiencies

- Reduce expenses for better profit margins
- Improve employee relationships for better performance
- Increase retention and loyalty
- Superior customer service
- Better tools, processes and methods

Better communication with customers

- Gain insight on purchasing behaviour
- Analyze trends for predictive forecasting
- Create new demand for existing products and services
- Improve communication channels for message delivery
- Precision target marketing

Working with Firstbase for Market Research

Professionally acquired market research is more pertinent than data gathered by your internal team who will be biased to finding the anticipated results.

Essential information that can be gathered and presented includes:

- Size, segment and value of your market
- Potential market share
- Market concentration and growth probability
- Strategic plan for entry into a new market
- Current perception of you brand, products and services
- Insight on values, features and benefits
- Price sensitivity analysis
- Distribution and sales channels
- Competitor analysis
- SWOT analysis

Using Market Research

Market research helps you identify market trends, ideal demographics and customer purchasing behaviour.

Examination of the competitive landscape allows you to evaluate your own business performance for opportunities of improvement.

Market research helps you:

- Identify your unique value proposition
- Improve communication
- Minimize risk
- Create benchmarks to measure progress

The in-house research team at Firstbase can help you get started. If you are ready to discuss your research needs, call us today.

“Whether you call it luck or law of business attraction, make it part of your business plan”

Business Planning Best Practices

S

Specific

M

Measurable

A

Actionable

R

Realistic

T

Time-Sensitive

It takes focus and dedication to run your business successfully. There is no doubt that your team is working hard naturally – however working smart takes a different point of view.

It's not easy to effectively measure, analyze and improve on business metrics. There are often several KPI (Key Performance Indicators) that need to be monitored to ensure business objectives are on track.

Setting SMART metrics will help your business grow.

Firstbase helps to establish business development programs that set SMART goals:

Specific – Ensure goals are clear about what you need to achieve

Measurable – Your goal should contain an element that can be measured

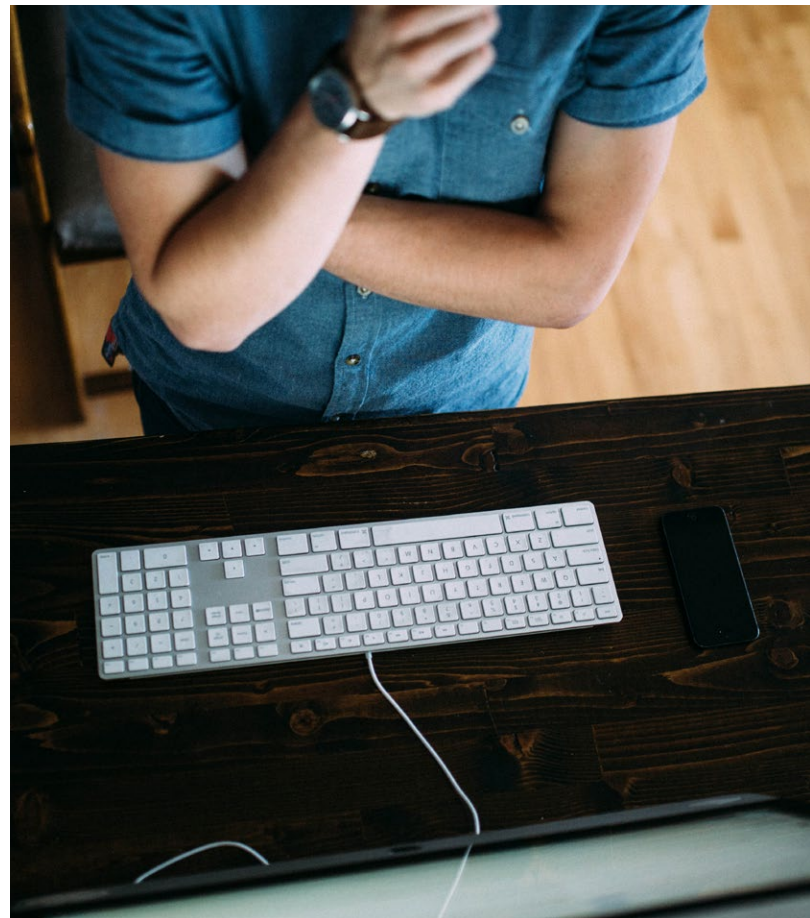
Actionable – Goals must be active in their nature to be effective

Realistic – You may need a series of goals over a long period to achieve a major goal

Timely – Assign a deadline to your goal to keep you focused

We support businesses in many different industries and help establish and set benchmarks for ongoing growth and success.

If it's time for a discussion on your business growth development strategies, call us at **604-580-5334** or toll-free at **1-800-758-2922**.



How We Work

Every project we accept begins with deep discovery of not only the challenges your organization is facing but WHY they are occurring.

Working with you and your team we then define clear objectives and outcomes. Only then are strategies developed and executed to elevate your business performance.



Strategies such as:

1. Deep research on what your 'business-to-business' or business-to-consumer' customers truly want from your organization.
2. Business analytics to articulate key points to leverage your current infrastructure, product and customer portfolios, and marketing efforts.
3. Creation of the right practices needed to elevate your business performance — not just assigned "best practices".
4. Reorganizing your team so that "rain makers" can focus on bringing in new business and not "managing the current business".
5. Connecting your business more closely with your target customers.
6. Identifying your key markets and aligning the organization to best serve them.
7. Developing comprehensive ROI programs for your business.

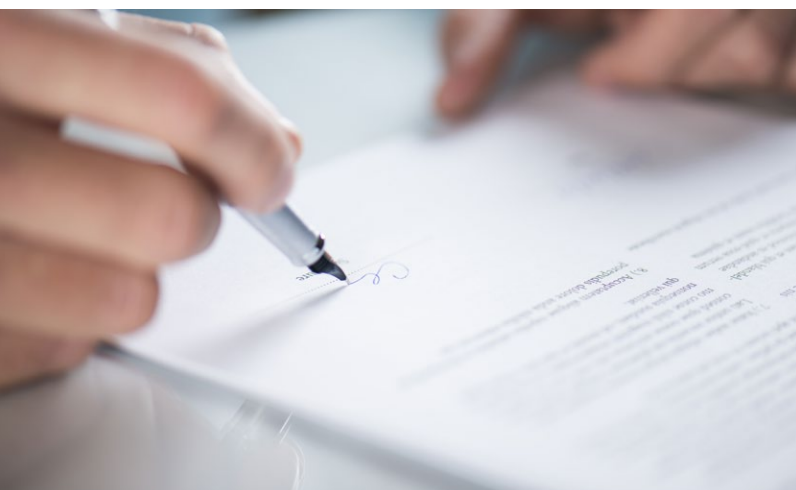
Isn't it time to elevate your business performance?

With our collaborative approach and clarity of thought, the Firstbase team of experienced consultants brings fresh solutions to your specific, and often unique issues. An example of recent assignments includes:

- Clarified and crafted a company's Unique Value Promise to reposition them distinctly in their markets.
- Identified key market segments for a manufacturing firm around the globe.
- Produced a full marketing strategy for significant sustainable growth.
- Implemented a new client development program that brought over \$30 million in quotes within 90 days.
- Created and designed messaging and branding that communicates real value to specific target customers.

On every assignment, the Firstbase team will employ clear communication, fresh thinking, actual guidance and full execution support.

When Firstbase accepts an assignment, they expect only one thing, success for the client.





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BUSINESS SERVICES

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