

**E I F N**

The Business Plan (BP):  
Structure

# Typical structure of a BP

1. Introduction
2. Business description
3. Market study
4. Marketing plan
5. Technical description
6. Purchasing plan
7. Organization and human resources
8. Legal structure
9. Financial feasibility study
10. Risk assessment
11. Summary
12. Annexes



# Introduction

Introduction
Business Description
Market Study
Marketing Plan
Technical Description
Purchasing Plan
Organization & HR
Legal Structure
Financial study
Risk Assessment
Summary
Annexes



- [Company](#)
- [Company's business](#)
- [Promoters](#)
- [Business model](#)

The “Introduction” (also called the **executive summary**) is the most important part of the BP. It is the part that will engage a potential investor to read the remaining sections of the BP. The objective is to give the project credibility and to corroborate that the promoters are qualified to establish and grow the company.



# Introduction

# Company

Introduction
Business Description
Market Study
Marketing Plan
Technical Description
Purchasing Plan
Organization & HR
Legal Structure
Financial Study
Risk Assessment
Summary
Annexes

- [Company](#)
- [Company's business](#)
- [Promoters](#)
- [Business model](#)

Company

Name
Brief description (2 lines)
Address and contact details
State of the company (idea, BP developed, operations initiated,..)
Current number of promoters and employees



# Introduction

# Company's business

Introduction
Business Description
Market Study
Marketing Plan
Technical Description
Purchasing Plan
Organization & HR
Legal Structure
Financial Study
Risk Assessment
Summary
Annexes

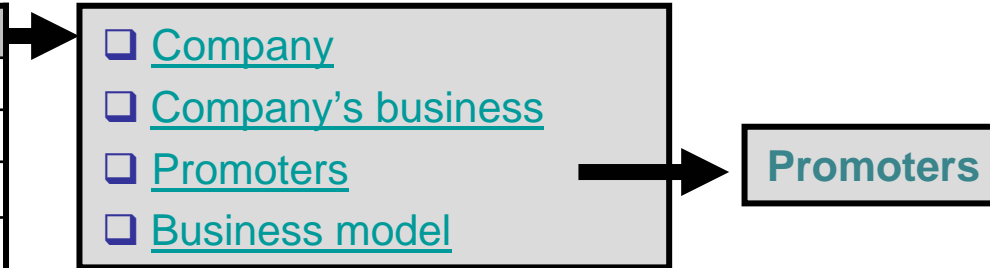
- [Company](#)
- [Company's business](#)
- [Promoters](#)
- [Business model](#)

**Company's Business**

Company and business description		Business/sectors in which it operates	
		Solar Energy	
		Wind Energy	
		Biomass	
		Software	
		.....	
Markets (regions, countries, etc.)		Product /services	



Introduction
Business Description
Market Study
Marketing Plan
Technical Description
Purchasing Plan
Organization & HR
Legal Structure
Financial Study
Risk Assessment
Summary
Annexes



Professional background of the promoters			
Education	Professional Experience	Languages	Others

Professional background of the professional staff			
Studies	Professional Experience	Languages	Others

# Intrroduction

# Business Model

Introduction
Business Description
Market Study
Marketing Plan
Technical Description
Purchasing Plan
Organization & HR
Legal Structure
Financial Study
Risk Assessment
Summary
Annexes

- [Company](#)
- [Company's business](#)
- [Promoters](#)
- [Business model](#)

**Business Model**

Characteristics of the project in the context of the Business

Competitive advantages

Grounds on which the claims made in the plan are based



BP Structure

Introduction

# Business Description

Introduction
Business Description
Market Study
Marketing Plan
Technical Description
Purchasing Plan
Organization & HR
Legal Structure
Financial Study
Risk Assessment
Summary
Annexes

- [Company](#)
- [Product / service](#)
- [R&D: protective measures](#)

This section gives an overview of the company concept, its main goals, its products or services, its entry and growth strategy, its competitive advantages, the name of the responsible and positions, the technology and innovations it uses and its R&D policy.





# Business Description

# Company

Introduction
Business Description
Market Study
Marketing Plan
Technical Description
Purchasing Plan
Organization & HR
Legal Structure
Financial Study
Risk Assessment
Summary
Annexes

- [Company](#)
- [Product / service](#)
- [R&D: protective measures](#)

Company

<b>Company's origin and goals</b>
<b>Experience of the founders and position in the company</b>
<b>Entry and Growth strategy</b>



# Business Description

# Product / Service

Introduction
Business Description
Market Study
Marketing Plan
Technical Description
Purchasing Plan
Organization & HR
Legal Structure
Financial Study
Risk Assessment
Summary
Annexes

- [Company](#)
- [Product / service](#)
- [R&D: protective measures](#)

Product / service

Description of the product / service (needs it meet, uses, market positioning, differentiation from competitors, etc.)

Ancillary services

Manufacturing or service provision capacity

# Business Description R&D: Protective Measures

Introduction
Business Description
Market Study
Marketing Plan
Technical Description
Purchasing Plan
Organization & HR
Legal Structure
Financial Study
Risk Assessment
Summary
Annexes

- [Company](#)
- [Product / service](#)
- [R&D: protective measures](#)

**R&D: protective measures**

Technology / innovation description	
Copyrights	Duration
Patents	
Other rights protections	

# Market Study

Introduction
Business Description
Market Study
Marketing Plan
Technical Description
Purchasing Plan
Organization & HR
Legal Structure
Financial Study
Risk Assessment
Summary
Annexes

- [Sector analysis](#)
- [Customers' behavior](#)
- [Competitors and their products](#)
- [Barriers to entry](#)

The market study is a fundamental part of the BP. Its goal is to illustrate the opportunity and show that there is a significant market to capture. The information given by this section is crucial to determine the economic viability of the business.

## Useful sources of information to cope with this section are

- Ministries, Governments of the autonomous regions, or Local institutions
- National Statistics Institute
- The National Employment Institute
- The Institute for Foreign Trade
- Chambers of Commerce
- Associations representing professions and economic sectors
- Newspapers and magazines
- Bank directories
- Consumer surveys
- Surveys and tests
- Suppliers operating in the sector
- Distributors
- Potential customers



# Market Study

# Sector Analysis

Introduction
Business Description
<b>Market Study</b>
Marketing Plan
Technical Description
Purchasing Plan
Organization & HR
Legal Structure
Financial Study
Risk Assessment
Summary
Annexes

- [Sector analysis](#)
- [Customers' behavior](#)
- [Competitors and their products](#)
- [Barriers to entry](#)

**Sector analysis**

Industry	Industry's segment
Description: definition, size, growth, concentration, competition, players, trends, risks	
Variables or factors that can affect the current market structure	
Regulation Government regulation	
Decision process governing the sector: prices, regulation, costs, ..	



# Market Study

# Customer Behavior

Introduction
Business Description
Market Study
Marketing Plan
Technical Description
Purchasing Plan
Organization & HR
Legal Structure
Financial Study
Risk Assessment
Summary
Annexes

- [Sector analysis](#)
- [Customers' behavior](#)
- [Competitors and their products](#)
- [Barriers to entry](#)

Customers' behavior

Potential customers (features, segmentation, growth, trends, consumptions habits)

Factors that affects purchasing decisions (price, design, quality, service, distribution, etc.)

Results from tests and surveys



# Market Study

# Competitors and their products

Introduction
Business Description
<b>Market Study</b>
Marketing Plan
Technical Description
Purchasing Plan
Organization & HR
Legal Structure
Financial Study
Risk Assessment
Summary
Annexes

- [Sector analysis](#)
- [Customers' behavior](#)
- [Competitors and their products](#)
- [Barriers to entry](#)

**Competitors and products**

Competitors' description: location, market share, main and additional products/services offered, prizes, characteristics (strengths, weaknesses, etc.), etc.

Their commercial and distribution policies

Competitors from imports

Leaders and competitive advantage (price, cost, distribution, quality)



# Market Study

# Barriers to Entry

Introduction
Business Description
Market Study
Marketing Plan
Technical Description
Purchasing Plan
Organization & HR
Legal Structure
Financial Study
Risk Assessment
Summary
Annexes

- [Sector analysis](#)
- [Customers' behavior](#)
- [Competitors and their products](#)
- [Barriers to entry](#)

**Barriers to entry**

Barriers	Current	Future





# Marketing Plan

Introduction
Business Description
Market Study
Marketing Plan
Technical Description
Purchasing Plan
Organization & HR
Legal Structure
Financial Study
Risk Assessment
Summary
Annexes

- [Market & product strategy](#)
- [Pricing](#)
- [Distribution](#)
- [Advertising & Promotions](#)
- [Commercial Strategy](#)

The Marketing Plan sets the commercial strategies that will allow to obtain the turnover that will be provided in the economic and financial analysis. The Marketing Plan describes the details of the global marketing strategy we plan to use to exploit our business opportunities and competitive advantages. The Marketing Plan should include **What** we have to do, **How** to do it, **When** it will be done, and **Who** will be responsible for implementing the actions.

# Marketing Plan

# Market and Product Strategy

Introduction
Business Description
Market Study
<b>Marketing Plan</b>
Technical Description
Purchasing Plan
Organization & HR
Legal Structure
Financial Study
Risk Assessment
Summary
Annexes

- [Market & product strategy](#)
- [Pricing](#)
- [Distribution](#)
- [Advertising & Promotions](#)
- [Commercial Strategy](#)

**Market & Product strategy**

Describe the emotional versus the rational component of the purchase and how do you position your product/service

Describe the attributes of the product and the strategy related to them (premium/segmentation for a more advanced system or color, quality leader, etc.)

Strategy to get new / retain existing clients

Post-sales- guarantee system; related cost; who will provide these services; comparison with what competitors are offering



# Marketing Plan

# Pricing

Introduction
Business Description
Market Study
<b>Marketing Plan</b>
Technical Description
Purchasing Plan
Organization & HR
Legal structure
Financial Study
Risk Assessment
Summary
Annexes

- [Market & product strategy](#)
- [Pricing](#)
- [Distribution](#)
- [Advertising & Promotions](#)
- [Commercial Strategy](#)

**Pricing**

	Company	Competitors
Product	Price	Price
Product 1		
Product 2		
.....		
Explain the variables that count for the differences		

Compute the margin:  $\text{Price} - (\text{cost of product, distribution, guarantees, customers training..})$

Calculate if is possible the customers payback time.



BP Structure

Marketing plan

# Marketing Plan

# Distribution

Introduction
Business Description
Market Study
Marketing Plan
Technical Description
Purchasing Plan
Organization & HR
Legal structure
Financial Study
Risk Assessment
Summary
Annexes

- [Market & product strategy](#)
- [Pricing](#)
- [Distribution](#)
- [Advertising & Promotions](#)
- [Commercial Strategy](#)

Distribution

Define what type of distribution channels that are to be used

Evaluate the importance of the cost of distribution with respect to the market price of the product/service.

Establish scope of distribution (local, national, etc) of our product. Description of future plans of expansion.

Evaluate export possibilities of our products, with regard to the international distribution system, transport, insurance, etc.

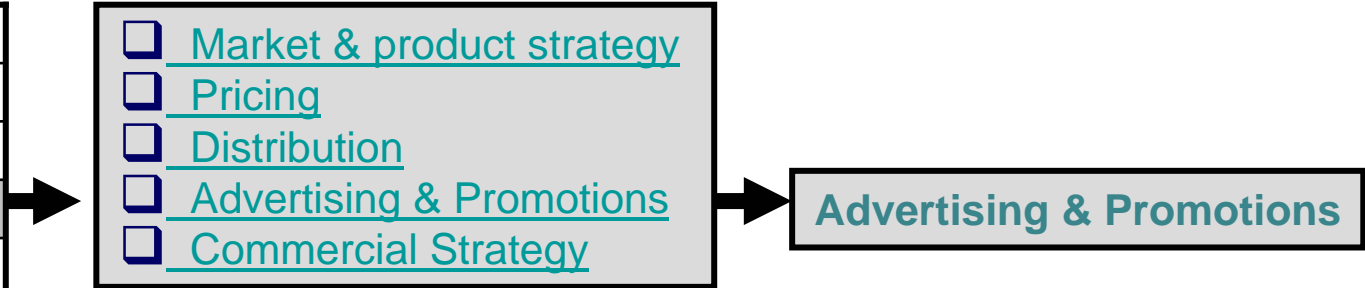


BP Structure

Marketing plan

# Marketing Plan Advertising & Promotions

Introduction
Business Description
Market Study
<b>Marketing Plan</b>
Technical Description
Purchasing Plan
Organization & HR
Legal structure
Financial Study
Risk Assessment
Summary
Annexes



Describe the formulas that are going to be used to attract the attention of potential customer to our product/service.

	Features	Media Plan	Mail shots	Trade Fairs	Telemarketing	Others
Size and duration						
Frequency						
Economic valuation						

# Marketing Plan

# Commercial Strategy

Introduction
Business Description
Market Study
<b>Marketing Plan</b>
Technical Description
Purchasing Plan
Organization & HR
Legal structure
Financial study
Risk Assessment
Summary
Annexes

- [Market & product strategy](#)
- [Pricing](#)
- [Distribution](#)
- [Advertising & Promotions](#)
- [Commercial Strategy](#)

**Commercial Policy**

Make a study on customer's primary motivation / Elaborate a plan to identify and contact with our potential consumer.

Design sales strategy, state targets and quantify them (units and €).  
Describe composition, form of hiring and qualifications of the Sales Team.

**Own sales force**

**Representative**

Define the policy of sales margin and promotional measures offered by distributors, representatives, etc. and compare these with the competence.

Estimate sales for each member of our sales team and define the incentives policy for different volumes, discount policy, rebates, etc.



BP Structure

Marketing plan

# Technical Description

Introduction
Business Description
Market Study
Marketing Plan
Technical Description
Purchasing Plan
Organization & HR
Legal structure
Financial study
Risk Assessment
Summary
Annexes

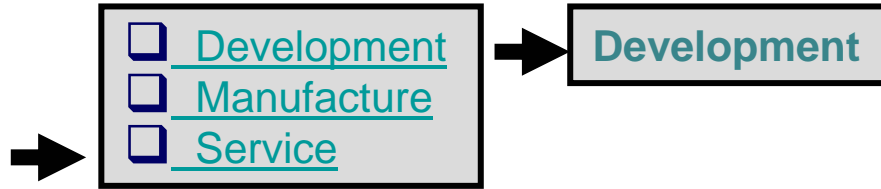
- 
- [Development](#)
  - [Manufacture](#)
  - [Service](#)

The technical description includes the development, manufacturing and marketing of our products. If we are dealing with a service, rather than talking about the technical parameters, we should give a detail description of the procedures and technical requirements involved in providing this service. In case of product development and manufacturing, it's very important to pay particular attention to: The operation cycle, the geographic location, the equipment necessary and the production process strategy

# Technical Description

# Development

Introduction
Business Description
Market Study
Marketing Plan
Technical Description
Purchasing Plan
Organization & HR
Legal structure
Financial study
Risk Assessment
Summary
Annexes



Consider the duration of the research and development efforts required to prepare the product as well as the investment requirements in staff and research resources, samples, prototypes, etc.

Evaluate if you have sufficient know how and you are technologically able to undertake this development work. Evaluate also legal, health and security requirements

Describe in detail the risks and difficulties inherent to the development process.

Think of the possibility of improving the product in the medium term or developing a spin-off, calculate the cost of the process and finally evaluate the intellectual property rights deriving from the product.





# Technical Description

# Manufacture I

Introduction
Business Description
Market Study
Marketing Plan
Technical Description
Purchasing Plan
Organization & HR
Legal structure
Financial study
Risk Assessment
Summary
Annexes



## Define the Production Process

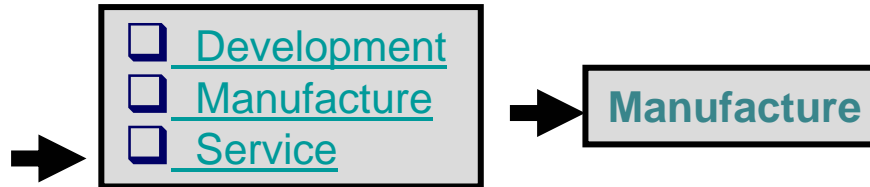
	Subcontract	Own resources
Features	Define who they are, Evaluate their skill-levels and cost	Description of the production plan: volume, cost, labour, raw materials, etc

## Quality control process, inventory control and inspection procedures

--



Introduction
Business Description
Market Study
Marketing Plan
Technical Description
Purchasing Plan
Organization & HR
Legal structure
Financial study
Risk Assessment
Summary
Annexes



Define operating cycle, n<sup>o</sup> of units to be produced, n<sup>o</sup> of shifts to cover manufacturing forecasts, staff requirements, personnel skill and costs.

Pay attention to the geographical location of your installations. Evaluate the availability of qualified labor, its costs, incentives for locating factories, environmental regulations, proximity to sources of raw material, etc

Design the structure of the factory and estimated cost of the plant. Establish formulas for purchasing of buildings, possibilities of expansion, regime for acquisition, maintenance costs, etc.

Study the kind of equipment necessary to operate, characteristics, models, production capacity, duration and annual depreciation.

Introduction
Business Description
Market Study
Marketing Plan
Technical Description
Purchasing Plan
Organization & HR
Legal Structure
Financial Study
Risk Assessment
Summary
Annexes



Give a detailed description of the procedures and technical requirements in providing the services

Define what kind of services could be outsourced and what kind of tool should be used to control them

Collect all information about legal, health and security requirements needed to provide the service.

# Purchasing Plan

Introduction
Business Description
Market Study
Marketing Plan
Technical Description
Purchasing Plan
Organization & HR
Legal structure
Financial study
Risk Assessment
Summary
Annexes

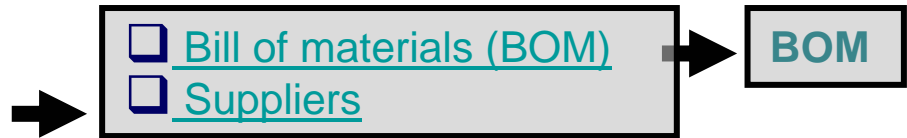


- [Bill of materials \(BOM\)](#)
- [Suppliers](#)

The purchasing plan must include the list of raw materials and other materials to produce and market our product or service. Moreover, this list includes all kind of information (contact, commercial conditions, lead time, etc) about main suppliers and other sources.



Introduction
Business Description
Market Study
Marketing Plan
Technical Description
<b>Purchasing Plan</b>
Organization & HR
Legal structure
Financial study
Risk Assessment
Summary
Annexes



Describe the system of materials planning that will be used: MRP, Just in time, ..			
List of raw materials and other materials needed to produce and market the product/service.			
Carry out a cost estimation for warehouses stock requirements and stock rotation.			
✓ Description/material	✓ Quantity	✓ Lead time	✓ Price

Introduction
Business Description
Market Study
Marketing Plan
Technical Description
<b>Purchasing Plan</b>
Organization & HR
Legal structure
Financial study
Risk Assessment
Summary
Annexes



Evaluate quality, price, lead time, reliability, flexibility in change of specifications or quantities, service, etc. of the main suppliers.

Elaborate a list of main suppliers and others with the description of the products/services that they offer, their locations and contact.

Collect all information about conditions and payment periods, discounts on bulk purchases, availability and delivery conditions, guarantees, etc.

# Organization & HR

Introduction
Business Description
Market Study
Marketing Plan
Technical Description
Purchasing Plan
Organization & HR
Legal Structure
Financial Study
Risk Assessment
Summary
Annexes



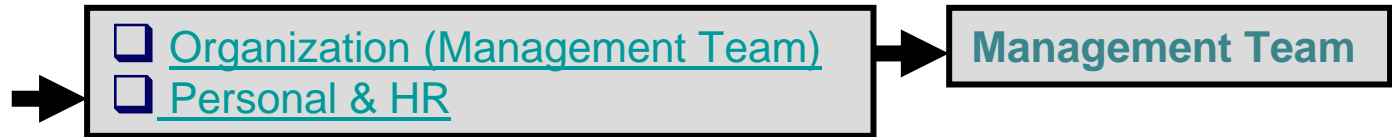
- [Organization \(Management Team\)](#)
- [Personal & HR](#)

The Organization describes in detail the functions of the key management positions and line management posts: who are the responsible and how are they organized. All this information is fundamental to increase potential investor's confidence.

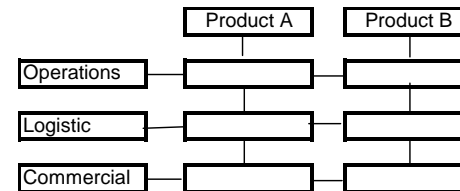
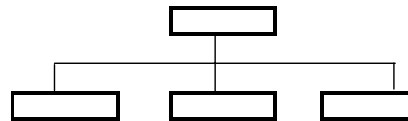
For big companies, it's advisable to establish the human resources policies (hire, salary promotion, training, etc.) as well as an organization chart.



Introduction
Business Description
Market Study
Marketing Plan
Technical Description
Purchasing Plan
<b>Organization &amp; HR</b>
Legal Structure
Financial study
Risk Assessment
Summary
Annexes



**1. Elaborate the organization chart and pay attention to what kind of organization is the best: Matrix, Functional, Process, etc.**



**2. Define who participates in Management team and complete the following information:**

Name	Position / Functions	Professional Experience	Specialist (Area/Sector)	Achievements	Salary



Introduction
Business Description
Market Study
Marketing Plan
Technical Description
Purchasing Plan
<b>Organization &amp; HR</b>
Legal Structure
Financial study
Risk Assessment
Summary
Annexes



Depending on the size of the business, it is advisable to establish Human Resources policy as: hiring, promotion, salary, training, etc.

In manufacturing or services, It is advisable to identify the levels of categories of employees, determine the number and the cost.

Name	Category	Experience	Salary

# Legal Structure

Introduction
Business Description
Market Study
Marketing Plan
Technical Description
Purchasing Plan
Organization & HR
<b>Legal Structure</b>
Financial Study
Risk Assessment
Summary
Annexes



## [Legal structure](#)

The legal structure describes the legal form taken by the company and the reason for the chosen form as compared to the alternatives allowed by law. In addition, the tax regime applicable to the company, as well as to its founders, should be included.



# Legal Structure

Introduction
Business Description
Market Study
Marketing Plan
Technical Description
Purchasing Plan
Organization & HR
<b>Legal Structure</b>
Financial Study
Risk Assessment
Summary
Annexes

Elaborate a list of the external advisory services with a description of the legal status of the advisors, their specializations and the costs.

[Legal structure](#)

Name and legal status of business partners and investors, together with the percentage and type of shares they would hold.

Describe, step by step, all administrative and legal procedures necessary to set up the company (registration, tax registration, business and work permits, etc)

It's advisable to enclose a copy of the company's memorandum and Articles of Association



BP Structure

Legal Structure

# Financial Study

Introduction
Business Description
Market Study
Marketing Plan
Technical Description
Purchasing Plan
Organization & HR
Legal Structure
Financial Study
Risk Assessment
Summary
Annexes



- [Sector Margins](#)
- [Financial Statements](#)

The purpose of the Financial Study is two-fold: to evaluate the economic potential of the business and present feasible alternatives for its financing. When we start drawing up the Financial Plan we should discuss its underlying assumptions, provide **forecasted financial statements**, as well as describe the envisaged capital structure and the contribution expected from the promoters of the project.



# Financial Study

# Sector Margins

Introduction
Business Description
Market Study
Marketing Plan
Technical Description
Purchasing Plan
Organization & HR
Legal Structure
<b>Financial Study</b>
Risk Assessment
Summary
Annexes

You should compute the sector's margins through the percentage on sales of all the items of the P&L account of the benchmark companies



Benchmark Company/ies	Year t-1	Year t-2	Year t-3	Year n
Sales	100%	100%	100%	100%
Cost of Goods Sold	50%	47%		
Gross Profit				
.....				
Net Income	3%	1.5%	-2%	.....



Introduction
Business Description
Market Study
Marketing Plan
Technical Description
Purchasing Plan
Organization & HR
Legal Structure
<b>Financial Study</b>
Risk Assessment
Summary
Annexes

Financial plans and requirements	
Analysis of the working capital	
Available cash ratio over the first year	
Financing structure	



Forecast of the P&L account for the next 10 years or more, depending of the characteristics of the business and the pay-back period for the required financing	<b>EXCEL tool</b>
Forecast of the Balance sheet	<b>EXCEL tool</b>
Compute the profitability, debt and activity ratios for the forecasted years	<b>EXCEL tool</b>
Compute the break-even point regarding the sales	<b>EXCEL tool</b>

# Risk Assessment

Introduction
Business Description
Market Study
Marketing Plan
Technical Description
Purchasing Plan
Organization & HR
Legal Structure
Financial Study
Risk Assessment
Summary
Annexes



## [Risk Assessment](#)

The business plan should include a description of the risks and possible consequences of any adverse circumstances which may affect the industry, the company, our management team, the acceptance of our product or service by the market, or which may result in delays in launching our product or service, or difficulties in obtaining the necessary financial resources.



# Risk Assessment

The risks identified should be listed by degree of importance/ impact on the project's results.

The assessment of risks should make reference to external / internal factors (recession, the reaction of competitors, premature obsolescence, R&D risks, etc.) and their influence on the development of the project and the possible corrective steps we can apply to offset these risks.

Introduction
Business Description
Market Study
Marketing Plan
Technical Description
Purchasing Plan
Organization & HR
Legal Structure
Financial Study
<b>Risk Assessment</b>
Summary
Annexes

The economic impact of the most pertinent risk factors on the financial statements should be quantified through a scenario analysis or a breakeven analysis, separately for each risk factor

EXCEL tool

[Risk Assessment](#)

Identifying risk factors demonstrates the management skills of the Business Plan's author and increases the project's credibility in the eyes of investors



BP Structure

Risk Assessment



# Summary

Introduction
Business Description
Market Study
Marketing Plan
Technical Description
Purchasing Plan
Organization & HR
Legal Structure
Financial Study
Risk Assessment
Summary
Annexes



The final section of your Business Plan briefly reiterates the main strengths of the project, its weaknesses, its advantages and opportunities, or threats and risks. This is the last chance to convince the investors of the value of the project, if you have not already done so. Consequently, you should spare no effort in stressing its true potential.



# Annexes

The annexes support or confirm the trends or strategies set out in our Business Plan, and are very important in the presentation of our BP. Some examples that should include: surveys, statistics, reports by third parties, legal documents, etc.

Remember that the presentation of your Business Plan is your Calling Card to various groups, and that it should be carefully bound. The information should be contained in two volumes, one containing the bulk of the information and the other, which holds the annexes.

Introduction
Business Description
Market Study
Marketing Plan
Technical Description
Purchasing Plan
Organization & HR
Legal Structure
Financial Study
Risk Assessment
Summary
Annexes



 [Annexes](#)