

Guide to Writing a Business Plan



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Before starting an eCommerce store, your first step should be to [write a business plan](#).

A business plan can help entrepreneurs stay on the right track in order to reach both their short and long-term objectives. Additionally, it can serve as a tool to secure funding or bring on new business partners.

Although all business plans are different, you can use the elements of a standard business plan below to write out an effective eCommerce plan.

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1 Executive Summary

This is the first section people will see when going through a business plan – it will sum up all of the information presented in the plan into a one-page outline. Here are some aspects to include in an executive summary:



- **Financial projections.** Give an overview of your revenue sources, pricing structure, and projected financial performance.
- **Business overview.** Explain the product or service your online store is going to offer.
- **Market opportunity and competition.** Show how the product can solve your target market's problems and list all the key differences that make it stand out from the competition.
- **Milestones and growth projections.** Describe the future milestones your eCommerce store intends to achieve.

2 Company Description

This section gives readers a thorough overview of a business, including what you plan to do and how you intend to accomplish it. Here's a quick rundown of what to include in the company description:

- Business name
- Vision and mission statement
- Business goals
- Location
- Background information
- Management team
- Domain name
- Business structure



3 Market Analysis

Market analysis is one of the most critical elements of a business plan since it shows the target market you're planning to sell to and your position in the competition. Here's how to create the market analysis section:

- **Define the target market.**
Find and narrow down the potential customers to deliver relevant products and develop a suitable marketing campaign. A few factors to use in determining a target market are geographic location, age group, and income level.
- **Discover market volume and trends.**
Research the potential number of customers you might have and the latest trends in your niche.
- **Do competitor and environment analysis.**
Examine your competition using the strengths, weaknesses, opportunities, and threats (SWOT) analysis.



4 Organization and Management Team

In this section, introduce your team members and their roles in accomplishing the eCommerce business goals. Here are some tips for creating the organization and management team section:

- Create a brief biography of each team member and highlight their experiences.
- Define the managerial flow from top to bottom.
- Talk about positions you want to add in the future.
- If you hire freelancers or outside consultants, make sure to mention it in this section.



5 Products and Services

This part gives readers a brief overview of what products or services an eCommerce store offers. Here’s how to create the products and services section:



- Use simple rather than technical terms and keep the paragraphs short.
- Highlight the general features and benefits of the product.
- Emphasize what makes your products better than those offered by the competitors.
- List all the requirements to provide the product or service.

6 Operations Plan

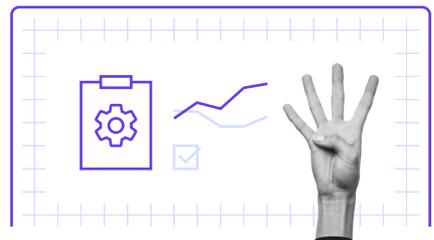
This section explains how you’ll run the eCommerce business, from producing to delivering the products or services to the customers. Here are the aspects to include in the operations plan section:



- **Daily operations.** Describe how you want the business to run on a day-to-day basis. This includes the production or service methods, inventory control, supply chain management, and facility maintenance.
- **Facility management.** Specify the facilities, equipment, and technology needed to provide the product.
- **Legal requirements.** Present all the essential licenses and permits to operate the business in your region.

7 Marketing and Sales Strategy

In this marketing and sales strategy section, determine how you’ll promote the business to the customers. Use these elements to create this part:



- **Positioning.** Develop the public perception of the business by finding an attribute that matches the products and company goals. Some examples of positioning buzz-words are “affordable” and “reliable.”
- **Promotion.** Decide the marketing channels and sales promotion methods to advertise the eCommerce business.

- **Pricing.** Create a pricing model that suits the target market by considering the costs of delivering the products.
- **Sales channel.** Determine the sales channel you'll use to sell the products. This might be an eCommerce website or an online marketplace.

8 Financial Plan

This section typically covers the business projection for the first year, followed by annual projections for the next three to five years. Here are several financial statements to include in the business plan:

- Balance sheet
- Income statement
- Sales projection
- Cash-flow statement
- Break-even analysis



9 Appendix

The last section of the business plan shows additional details to support the previous elements you have presented. The appendix may contain some items like:

- Organizational charts
- Information about market research
- Legal agreements
- Documentation of products or facilities
- Additional financial projections

