



### Writing a Business Plan: Market Analysis

Moving further along the process of writing a business plan, your next step is to perform an in-depth analysis of your industry, market, and competitors.

Whereas the first two sections were high-level overviews, this is where you'll get into the details.

Readers and investors want to come away from your business plan's market analysis section feeling confident that you, the business owner, have a solid understanding of the dynamics of your industry, market, and competitors.

To prove this to them, your market analysis should include the following sections:

1. **Industry Description:** Give the reader a look into your industry. Describe how big it is, how it's grown in the past, how industry leaders predict it will grow in the future, and other important trends and characteristics. Then list out the important players in your industry.
2. **Target Market Overview:** You've looked at your industry as a whole, now zoom into your [target market](#).
3. **Target Market Characteristics:** Who are the customers in your target market, and what are their needs? Who is currently trying to serve those needs? Where is your target market located? What's the key demographic you're serving? These are the questions you should be answering as you give in-depth information on your target market.
4. **Target Market Size and Growth:** You should also give a look into how big your target market is. Try to give as much data as possible into how your target market makes purchases in the overall industry—how many, how often, and at what time of the year. Once you've investigated the current state of your target market, give a sense of the project growth of your market. Check out the [SBA's guide](#) for more on how to conduct market research to get these numbers.

5. **Your Market Share Potential:** Now that you know what your target market looks like *without* you, what will it look like *with* you? How much market share do you expect to gain in your targeted geographic area?
6. **Market Pricing:** By conducting this market research, you can give the best estimate of where you should be [pricing your products](#), how you should distribute your product, and how you can get ahead with promotional strategies.
7. **Barriers:** Be sure to include any barriers to market entry you might come across. This might be regulation, changing technology, high investment outlays, or lack of personnel in the area.
8. **Competitor Research:** Now that you've investigated your target market as a whole, narrow in on your top competitors. Look at their market share, strengths and weaknesses, any barriers they present, partnerships, and so on.

When you're writing a business plan, this section might take the longest.

It's the most in-depth section of your business plan and requires the most research.

### Writing a Business Plan: Product Development Plan

After you've laid out your business's organizational structure, it's time to dive into the product or service your business provides.

In this section, it's all about laying out the plans for positioning your product.

Start off this part of writing a business plan by describing your service or product and who it's intended for. What need does it specifically fulfill?

To break this down clearly, here's exactly what this section should contain:

1. **A general description of your product or service:** Include the details of your product here, and highlight what makes your product or service stand out. Be sure to speak toward how your product serves the needs of your customers and how it's different than your competitors. This is all about framing the problem and solution your business is after.
2. **Current status of products:** Explain where your offering currently stands. Is it just in the idea stage? Or do you have a final product ready to go to market? Give a realistic and honest picture of how developed your core product or service is.
3. **Product development research and goals:** If your product is still in the ideation or creation phase, describe how you'll bring it to a finalized product. What research and development activities need to be done before you get to market? Also, if you have any plans for future products you'd like to research and develop, note them here.
4. **Intellectual property:** This mostly applies to technology or scientific companies, but if you have [intellectual property](#) that is proprietary to your business and is crucial for succeeding, you should explain that in your product development section. Note if you have patents or are in the patent application process.

5. **Sourcing and fulfillment:** Do you rely on other vendors to provide your product or service? If so, be sure to make that fully known when you're writing a business plan. Include information about where any inventory or materials are coming from, how you receive them, and how often you need fulfillment.

This is the section of your business plan for letting the core of your business—your product or service—shine.

### Writing a Business Plan: Marketing and Sales Plan

Now that you've given all the crucial details of your core product offering, the next step in writing a business plan is to explain how you'll market and sell your product or service.

Let's start with the marketing side of things. How will you create customers and get them interested in your business?

In general, here's what the marketing part of this section might look like:

1. **Positioning:** This first part of your marketing plan covers how you're positioning your business and products. The way you position your [brand](#) determines how customers find and interact with you. Are you the free service? Or the service with guaranteed quality? This is what makes you stand out against your competitors in a branding sense.
2. **Promotion:** After you've explained how you'll uniquely position yourself, now explain *where* you'll get the word out and how you'll reach your customers. This involves any plans you have for packaging your product, advertising the product (online or in traditional media sources), dealing with public relations, or engaging in [content marketing](#) practices.

Once you have a marketing framework explained, now dive into your sales plan:

- **Sales force:** Describe who will be selling your product. Do you need a sales force? If so, how big does your sales team need to be? Who will train your sales force? Now's the time for you to put on the hat of a chief sales officer.
- **Selling strategy:** Give an overview of how you will sell your product or service. Will your team be cold-calling potential customers? Or attend sales meetings in person? This is how you'll start and close the deal. Be sure to describe what the [sales funnel](#) looks like for your business.

You might not know exactly how this will play out just yet, or which marketing and sales channels will be most successful for you. But give a clear and concise overview of how you plan on selling your product.