**HOW TO WRITE AN EXECUTIVE SUMMARY FOR A BUSINESS PLAN**



All new businesses should have a business plan. These documents outline the goals an owner has for their new organisation and sets out a plan of action to achieve them.

Although these documents need to be as comprehensive as possible, it is usually the condensed executive summary that is the most important part of any business plan.

While some business owners will talk to a specialist business consultant before writing their executive summary, this can be expensive and is not always necessary.

But what is an executive summary and how do you write one? In this guide, we answer both of these questions and more as we take a closer look at this business plan staple.

**What is an executive summary?**

An executive summary is a short introduction that summarises your business plan. Designed to provide a brief but compelling overview of your plan, it should do the following:
- Describe the purpose of your business

- Highlight your target market

- Explain what gap in the market it aims to fill

- Outline basic start-up costs and other important financial details. This should include initial overheads costs, stock costs, start-up business insurance expenses, etc.

Despite the title, these introductions are much more than quick summaries of your plan. As the only part of the document that some of your intended audience will have time to read and digest, it has the power to make or break your entire plan. For this reason, it needs to be comprehensive while also being engaging and compelling.

**How to write an executive summary**

A well-written executive summary should efficiently summarise your larger business plan. To do this it should effectively communicate the major findings from your research, as well as your proposed plan of action.

**Where to start**

You should always start at the end. This is to say, crafting your executive summary should always be done after every other section of your business plan is finished. This makes sure you can create a summary that best represents your entire plan as accurately as possible. Trying to cut corners will only serve to undermine the time and effort you have invested into putting your business plan together.

With this in mind, below we take a look at the musts when it comes to what to include in your executive summary.

**What to include**

A strong executive summary can be broken down into just five small sections. These are:

**1. An overview of your business**

All executive summaries should start with this. This will help to ensure the reader understands who you are and what your business will do. Naturally, this section should always include the name of your business, an introduction to products/services it will provide, and any other insights about the specific industry.

**2. A discussion on your target market**

This section will cover the ‘gap’ in your chosen industry your business aims to fill by defining your desired target market. In order to do this, you may have to present some research that highlights the current competitive landscape of the market in question. This can help to outline the advantages of your business.

Finally, you may also want to include a brief overview of your marketing strategy here. By covering the strongest aspects of your strategy, you can stay concise while still piquing the readers interest.

**3. An overview of operations**

As the title suggests, this section should briefly look at how your business plans to operate on a day-to-day basis. This should include details of where your business will be based, the corporate structure, whether you will be based entirely online or have stores, etc.

**4. Highlights of forecasting and projections**

Your business plan should include detailed financial projections. However, for the purpose of the executive summary you only need to provide an overview of your sales forecasting projections for the first few years of business. This should include a clear break-even point that tells the reader when you expect to turn a profit.

**5. An outline of your investment needs**

Finally, if your business requires financial help, your executive summary should conclude by detailing these needs. This should include a clear total figure that you explain is fully costed in the business plan. Naturally, this means this number should align with projections mentioned throughout your business plan in the forecasting section of your summary.

**How long should an executive summary be?**

Less is more when it comes to executive summaries. They need to be brief and concise while still representing your entire plan as accurately as possible. As a rule, try to keep the whole section to one page, or two at a stretch.

**Executive summary example**

**[Business name]**

GJW’s Coffee Co.

**[An overview of your business]**

GJW’s Coffee launched as a takeaway service in Hull in December 2021. It specialises in high quality coffee, freshly baked pastries, and handmade sandwiches. After initial success, we now want to expand the business by opening our first brick and mortar coffee house. It will be located in an area of the city which currently lacks coffee houses and cafes, despite being a high-income area with a high footfall.

GJW’s current delivery-only model offers a broad range of coffee and espresso products, all of which contain high quality coffee beans. The business caters to all customers by providing each a fully bespoke coffee service - we will make any coffee to order, down to the smallest detail. This will also be the case when we launch our coffee house.

**[An overview of your target market]**

As Hull has a cool climate for much of the year, hot coffee beverages are big sellers. However, we will also sell iced coffee to satisfy demand during the warmer months. Located near the city’s business district, as well as the university, young professionals, teaching staff, and students are our primary target audience.

In terms of competition, while there is a Starbucks on the university’s campus, this is small and currently cannot satisfy demand. Additionally, local customers are looking for high quality products and a relaxing, sit-in atmosphere. This chain coffee house cannot provide the level of quality and customer service that GJW’s can.

Other than that, takeaway food outlets are the only food/drink businesses located in a 2.5 mile radius of our site.

**[An overview of operations]**

GJW’s is a coffee shop and bakery operated by two partners. One partner deals with the finance and administration of the business, while the other deals with sales and the day-to-day running of the company. In order to launch the business’ first brick and mortar store, each partner is providing capital from their personal savings. This will cover start-up expenses and provide financial stability for the first two months of operations. The business is based in Hull, but plans to expand in future years.

**[An overview of forecasting and projections]**

As demonstrated in the graph below, GJW’s anticipates a steady growth of sales over the next five years. We also anticipate the business should break even by the third month of operations. While profits are expected to be relatively low during the first two years of operations, we expect increasing growth from the third year onwards. We are projecting an initial investment of £150,000 from the two founders.

[Insert your graph here]

**[An outline of your investment needs]**

In order for the business to achieve its initial goals, an investment plan is required. Detailed below is a list of start-up funding requirements.

**Start-up finances**

- Initial expenses of £70K. This includes £30K premises renovation costs, £30K equipment purchase costs, £5K legal fees, £5K other (insurance, tax, etc.). This appears as negative earnings in our initial balance as they occurred before launch.

- Starting cash in the bank of £80K

**Investment requirements**

- Initial investment from founders, detailed above

- £100K 10-year loan from investors (fully costed in business plan)