

The Different Types of Business Plans

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Business plans are also called strategic plans, investment plans, expansion plans, operational plans, annual plans, internal plans, growth plans, product plans, feasibility plans, and many other names. These are all business plans.

In all these different varieties of business plan, the plan matches your specific situation. For example, if you're developing a plan for internal use only, not for sending out to banks or investors, you may not need to include all the background details that you already know. Description of the management team is very important for investors, while financial history is most important for banks.

Some of these specific case differences lead to different types of plans:

- The most standard business plan is a start-up plan, which defines the steps for a new business. It covers standard topics including the company, product or service, market, forecasts, strategy, implementation milestones, management team, and financial analysis. The financial analysis includes projected sales, profit and loss, balance sheet, cash flow, and probably a few other tables. The plan starts with an executive summary and ends with appendices showing monthly projections for the first year.
- Internal plans are not intended for outside investors, banks, or other third parties. They might not include detailed description of company or management team. They may or may not include detailed financial projections that become forecasts and budgets. They may cover main points as bullet points in slides (such as PowerPoint slides) rather than detailed texts.
- An operations plan is normally an internal plan, and it might also be called an internal plan or an annual plan.

It would normally be more detailed on specific implementation milestones, dates, deadlines, and responsibilities of teams and managers.

- A strategic plan is usually also an internal plan, but it focuses more on high-level options and setting main priorities than on the detailed dates and specific responsibilities. Like most internal plans, it wouldn't include descriptions of the company or the management team. It might also leave out some of the detailed financial projections. It might be more bullet points and slides than text.
- A growth plan or expansion plan or new product plan will sometimes focus on a specific area of business, or a subset of the business. These plans could be internal plans or not, depending on whether or not they are being linked to loan

applications or new investment. For example, an expansion plan requiring new investment would include full company descriptions and background on the management team, as much as a start-up plan for investors. Loan applications will require this much detail as well. However, an internal plan, used to set the steps for growth or expansion funded internally, might skip these descriptions. It might not include detailed financial projections for the whole company, but it should at least include detailed forecasts of sales and expenses for the company.

- A feasibility plan is a very simple start-up plan that includes a summary, mission statement, keys to success, basic market analysis, and preliminary analysis of costs, pricing, and probable expenses. This kind of plan is good for deciding whether or not to proceed with a plan, to tell if there is a business worth pursuing.