

Business Plan

Cover Page

Includes company name, contact information

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Headings, subheadings and page numbers for easy reference

Executive Summary

A concise summary of the information presented in the remaining pages. Keep in mind that this section will help the reader decide whether or not to read the entire plan.

Company Profile

1. What is the nature of the business?
2. What is the legal status and ownership? Is it a sole proprietorship or corporation?
3. When will/did it start operations?
4. Who owns the business?
5. Where is it located?
6. Who is the management team, advisors, other key personnel?

Economic and Industry Overview

1. How big is the industry you operate in (numbers, sales, employees, etc?)
2. Is it growing, stable or declining?
3. What is the outlook for the next 1, 2, and 5 years?
4. What is the state of the economy in the area that you operate?
5. Are there any legislative or regulatory issues affecting your business?
6. How will the competition react to a new business opening?
7. What trends in the economy and the industry will affect your success?
8. How do you plan to compete with your close competition?

Target Market

1. Are you selling to consumers, retailers, wholesalers, other businesses?
2. Who is the most likely customer for your product or service (age, gender, marital status, income, education, etc.)?
3. How many customers are there in the geographical area that you serve?
4. Where do they shop for this item now?
5. How many do they purchase at a time?

6. How much are they willing to pay?
7. How often do they purchase this product/service?
8. What factors influence the buying decision, e.g. price, quality, service, etc.?
9. What marketing vehicle would be most likely to reach target market for this item (yellow pages, direct mail, TV advertisements, etc.)?

Competition

1. List your key competitors for the above market. These may be direct, i.e. selling the same item as you or indirect, i.e. competing for dollars in the same industry segment
2. What are your strengths and weaknesses in comparison with each of these competitors (consider price, location, marketing strategy, etc.)?
3. In what way will you use your competitive advantage over each of the above?
4. What percentage of the market do you expect to take?
5. Are there any trademarks, copyrights or patents required to protect the ownership of your product?

Marketing Strategy

1. What location have you chosen for the business and why?
2. Is there potential for future growth at this location?
3. Is there sufficient traffic flow to meet sales projections?
4. Do the projected sales justify the costs of this location? Explain.
5. How will you price your product(s) and/or service(s)? How did you arrive at these prices?
6. How does your pricing strategy help you compete with existing businesses?
7. What is unique or special about what you are selling?
8. What benefits does this item offer the purchaser? What needs does it satisfy?
9. How will you promote awareness of your business with the target market described above?
10. Outline your marketing plan for the first year including all methods of reaching your market and the frequency and cost of each.
11. How will you package your products or services?
12. What method of distribution will you use?
13. What guarantees, after-sales service and value-added features are you offering?

Operating Plan

1. Describe the production process.
2. What equipment and supplies will you need to start and run the business?

3. Lost your suppliers for all products and services required and why you have chosen them (e.g. product lines, frequency of delivery, pricing, terms and conditions, reputation, etc.)
4. Who is your management team and what are their qualifications for this role?
5. What other staff is required to run the business? Describe hours of work, job description, pay rates, availability.
6. Will special training be required? Who will provide it?
7. What licenses and permits are required?
8. What types and levels of insurance are required?

Financial Information

1. Provide a list of start-up costs.
2. Provide a monthly cash flow projection for the first year of business. Indicate fixed and variable expenses and break-even point.
3. Provide a personal net worth statement for owner(s).
4. What is your personal contribution to the start-up funds required?
5. What other sources of financing do you have?
6. What amount are you planning to borrow and for what purposes?
7. What security (collateral) are you willing to offer?
8. Provide a projected Balance Sheet as of the end of Year One.
9. Provide a projected Income Statement (profit and Loss) for Year One.
10. Describe your cash flow expectations for the business for the first 5 years.

Critical Risks and Success Factors

1. Identify what could go wrong with the different aspects of your plan. What are your worst-case scenarios?
2. How will you deal with new competition?
3. What steps will you take to minimize risk?

Appendices

May include any of the following:

1. Management biographies and resumes
2. Valuations of assets
3. Product literature
4. Photographs of products, equipment, facilities, etc.
5. Intellectual property documents
6. Marketing materials
7. Research and/or Studies
8. Legal agreements
9. Financial statements

Cash Flow Statement

(Company Name), Year One

MONTHS	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	TOTAL
CASH RECEIPTS													
Cash Received for Training	0	0	1,600	2,400	2,400	1,600	2,400	2,800	2,800	2,800	2,800	2,400	24,000
Group Consulting	0	0	2,400	0	0	2,400	0	2,400	0	2,400	0	0	9,600
Seminars	0	750	1,000	1,400	0	0	0	0	0	0	0	0	6,900
Loan	15,000	0	0	0	0	0	0	0	0	0	0	0	15,000
Personal Investment	7,500	0	0	0	0	0	0	0	0	0	0	0	7,500
TOTAL	22,500	750	5,000	3,800	2,400	4,750	3,150	5,950	3,550	5,950	2,800	2,400	63,000
CASH DISBURSEMENTS													
Equipment Purchase	10,923	770	0	0	0	300	0	0	0	0	0	0	11,993
Business Registration	60	0	0	0	0	0	0	0	0	0	0	0	60
Office Supplies	100	25	25	25	25	25	25	25	25	25	25	25	375
Telephone/Fax	375	200	200	200	200	200	200	200	200	200	200	200	2,575
Facility Rental	0	100	100	100	100	100	100	100	100	100	0	0	900
Insurance	36	36	36	36	36	36	36	36	36	36	36	36	432
Advertising	1,050	1,105	685	685	325	1,215	765	765	715	715	415	355	8,795
Salary	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Materials	200	200	200	250	200	100	150	300	300	300	300	300	2,900
Vehicle: Gas/Parking	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Loan Repayment	0	150	150	150	150	150	150	150	150	150	150	150	1,650
Bank Charges	20	20	20	20	20	20	20	20	20	20	20	20	240
Misc.	50	50	50	50	50	50	50	50	50	50	50	50	600
TOTAL	15,014	4,856	3,716	3,666	3,206	4,446	3,846	3,846	3,796	3,796	2,296	3,336	56,920
NET CASH													
Net Cash Surplus	7,486		1,284	134		304		2,104		2,154			68,080
Net Cash Deficit		-4,106			-806		-696		-246		-596	-936	
Cumulative to Date	7,486	3,380	4,664	4,798	3,992	4,296	3,600	5,704	5,458	7,612	7,016	6,080	

Example Cash Flow Disbursements/Expenses

The following list is a sample of monthly disbursements/expenses that you may have to keep your business operating.

- Bank Fees
- Salary
- Source Deductions
- Wages
- Telephone
- Utilities
- Office Expenses
- Tradeshow
- Conferences
- Travel Expenses
- Training
- Legal Fees
- Accounting fees
- Rent
- Business Taxes
- Advertising
- Promotional Expenses
- Licenses
- Vehicle Operating Costs
- Insurance
- Inventory
- Equipment Purchases
- Tax Remittance
- Loan Repayment
- Owners' Drawings
- Business Registration