

SAMPLE BUSINESS PLAN

TITLE PAGE

- Name of company:
- Date:
- Contact information:

Each section should start on a new page

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I. EXECUTIVE SUMMARY

This is the summary of the key points of your business

- Business Concept
- Company -
- Market Potential
- Management Team
- Distinct Competencies
- Required Funding and its Use
- Exit Strategy

An executive summary previews the main points of an in-depth report; it is written for nontechnical people who don't have time to read the entire report. The executive report contains enough information for a reader to get familiarized with what is discussed in the full report without having to read it all.

II. STATEMENT OF PURPOSE

- Typically one half of the page
- State the objectives of the plan / proposal
- Use business like text
- What is the business structure
- Who are the principals
- What is the proportion of ownership
- How is the plan to be used

A business plan should start with a simple statement of purpose. The statement should describe the amount and type of loan required the amount of money you are putting in (cash or equity), the period for which the loan will be outstanding, purpose of the loan, the impact the loan will have on the company, and the collateral that will be used to support the loan

An example could be: The _____ Company is seeking a loan of \$200,000, in the terms of debt financing, for 10 years. This would be used to purchase equipment and inventory, construct a new building, maintain necessary cash reserves, and provide adequate working capital. We want to successfully launch a manufacturing, and wholesale operations. This loan, together with an equity cash investment of \$50,000 and/or \$60,000 worth of collateral in _____ will be sufficient to finance the business so it can operate as a viable profitable enterprise.

III. DESCRIPTION OF BUSINESS

You will need to know your business inside and out **“lenders will know if you are bluffing”**

You should research any permits insurance, zoning and planning regulations.

Your credit history will be investigated; you are encouraged to obtain credit reports you can obtain these from

- **Equifax** 1-800-685-1111 - you can get a free report if you have been denied credit in the last 60 days. Make sure that you order only the credit report. Mail within 48 hours.
- **TransUnion** 1-800-916-8800 - receive within 6 to 8 business days.
- **Experian** 1-888-397-3742 - receive within 8 to 10 business days.
- <http://www.creditinfo.com/creditreports/CreditBureauContactInfo.htm>
This web site should also be helpful in gaining information to obtain a credit report.

Company Description

- Mission Statement –Tells the direction you want your business to go in.
- Summary of Activity to Date – What has your company done since it started? “If this is a startup you may disregard”
- Current Stage of Development – Where is your business in its life cycle? “If this is a startup you may disregard”
- Competencies – What makes your company competitive what gives it an advantage over competitors? What is your Expertise?
- Product or Service – What products or service do you offer?
- Benefits to customer – What benefits do you offer to customers?
- Differences from current offerings - What makes your business different from other companies?
- Why have you chosen this business type?
- Objectives – What do you hope to achieve?
- Keys to Success – What is needed for you to succeed?
- Location and Facilities – Where are you going to be located?
- What business are you in?
- What is the business status?
- To whom do you sell and why do they buy?
- Why will your business succeed?
- When will the business open?
- What is the schedule of operation?
- Is the business seasonal?
- Additional concerns if a take over or an existing business
You may not want to take over a business that has back taxes.
 - Leans
 - Back taxes
 - Payroll taxes
 - Income statements
 - Do your research

IV. INDUSTRY ANALYSIS

- Entry Barriers- What is stopping your from entering the market?
- Supply and Distribution – How and from who will you receive your supply or materials
- Technological Factors – Are there technologies which can help or hurt you?
- Seasonality – Does the business change from season to season?
- Economic Influences – How much is the economy going to effect your business
- Regulatory Issues – Are their laws and or regulations that could be problematic to your business

V. DESCRIPTION OF THE MARKET

- Who is the market?
- Where is the market located?
- What are the current size / growth potential?
- How will you attract and keep the market segment?
- How can we serve the market better than the competition?
- How will you promote your product service?
- What are the industry trends?
- How can you expand the market?

Advertising

- Advertising is of special importance to small business because it can be one of their most effective weapons in the intensely competitive struggle which characterizes small business today
- Market Analysis – Who comprises your market
- Definition of Overall Market – who are you selling too?
- Market Size and Growth – How large is the market and is it growing?
- Market Trends – How does the market change? Are there trends that you can follow?
- Market Segments – Men, Women, Elderly, Children, Minorities, etc.
- Targeted Segments – Who are you going to target your marketing towards?
- Customer Characteristics – What are they?
- Customer Needs – How do you determine the customer needs
- Purchasing Decision Process – What process do customers go through in order to make their purchases?
- Product Positioning – How is your product positioned? Does it create an image? Who is it targeted towards?

VI. MARKETING AND SALES

- Products Offered – What products does your company offer?
- Pricing – What are your prices going to be? How were these determined?
- Distribution – How are you going to get your product or service to the customer?
- Promotion – What type of promotions will you use?
- Advertising and Publicity – How are you going to advertise: TV, Radio, Magazines, and Newspaper, Trade shows, Etc?
- Discounts and Incentives – Will you offer these?
- Sales Force – Will you employ a sales team
- Sales Forecasts – What do you predict your sales will be at?

VII. DESCRIPTION OF THE LOCATION

- Where is the business to be located?
- Why is this location a good one for you?
- Will you lease or own?
- What improvements will be needed? at what cost?
- What are the physical features of the building?
- Describe the neighborhood.
- What else is in the area that makes this the right site for your business?

VIII. DESCRIPTION OF THE COMPETITION

- Identify the competitions list of features both problematic and beneficial. How can you improve upon the competition
- Is the competition surviving ?
- How will your operations be better?
- What have you learned or observed from watching the competition?

Competition

- Profiles of Primary Competitors – Who are your competitors? Give examples. what is their information that you have?
- Competitors' Products/Services & Market Share – What will be your market share compared to the competition?
- Competitive Evaluation of Product – How is your product more competitive than the competition?
- Distinct Competitive Advantage – What do you have over competitors? What do you do better?
- Competitive Weaknesses - What do you do worse than the competition?
- Future Competitors – Are there possible future competitors?

IX. DESCRIPTION OF MANAGEMENT

- What is the education, background, experience of the principals?
- Do you have direct experience in this business?
- Describe organizational structure.
- How much time will management devote?
- Discuss local resources to assist with management.
- Management and Organization?
- Management Team?
 - Open Positions?
 - Board of Directors?
 - Key Personnel?
 - Organizational Chart?

X. OPERATIONS

- Product Development – Where are you in your product development?
- Development Team – Who do you have for a development team?
- Development Costs – What are the costs of development?
- Development Risks – Are there risks to development? What are they?
- Production Processes – How will your product be processed? If this is a manufacturing process how will manufacturing occur
- Production Equipment – What equipment will you need for production?
- Quality Assurance – Is this necessary and will you seek a quality assurance rating?
- Key Suppliers – Who are your suppliers?
- Product / Service Delivery – How will you deliver your product or service?
- Customer Service and Support – How will your customer service and support work? What protocols will you implement
- Human Resource Plan – Will your facility be required to have a Human Resource plan

XI. DESCRIPTION OF PERSONNEL

- What are your current / future personnel needs?
- What are the specific job duties? Have you prepared job descriptions?
- What skills are you seeking?
- Do you have a ready labor pool?
- Is training needed?
- How will you compensate the employees?

XII. SOURCES OF FUNDING

- Include a detailed list of sources of investment for the project and a detailed list of how the funds will be spent.
- Loans
- Investments
- grants

XIII. APPLICATION/EXPECTED EFFECT OF THE LOAN/INVESTMENT

- Describe the project to be financed and the total cost.
- State the sources to repay the debt.
- Prepare a breakdown of how loan will be spent.
- How will the loan equate to profitability?
- What is your capital contribution?
- Do you have additional collateral?

XIV. BUSINESS GOALS

- What are your goals for the next year?
- What are your goals for the second year and beyond?
- What must you do to meet these goals?
- How will you monitor your goals and make corrections to meet these goals?

XV. DEVELOPMENT

- Financing Commitments
- Product Development Milestones
- Prototype
- Testing
- Launch
- Signing of Significant Contracts
- Achievement of Break-even Performance
- Expansion
- Additional Funding
- Any other significant milestones
- Time may be specified on a relative scale rather than specific calendar dates

XVI. RISKS AND CONTINGENCIES

Some common risks include:

- Increased competition
- Loss of a key employee
- Suppliers' failure to meet deadlines
- Regulatory changes
- Change in business conditions

XVII. FINANCIAL PROJECTIONS

- Assumptions (Start date, commissions, tax rates, average inventory, sales forecasts, etc.)
- Financial Statements (Balance Sheet, Income Statement, Cash Flow Statement)
- Break Even Analysis
- Key Ratio Projections (quick ratio, current ratio, D/E, D/A, ROE, ROA, working capital)
- Financial Resources
- Financial Strategy

You should include these different statements in your business plan.

XVIII. SUMMARY

The summary is a simple synopsis of the complete plan, briefly stated, and covering all of the key elements without the extra detail

Supporting documents

- Management Resumes
- Competitive Analysis Sales
- Projections
- Any other supporting documents
- Personal financial statements
- Tax returns
- Personal history information
- Price quotes / estimates
- Purchase offers / lease agreements
- List of suppliers
- Letters of intent
- Contracts floor plan, drawings, photographs
- Legal documents relative to the business

These documents will create an image of the business you are trying to create. These documents describe to the lender what you want to create. Concise detail including photos is most important. Never assume that you are including too much in this section.

Not every thing listed on this sample is needed for every business plan. For the most part the more you have the better your chances of success