

## **BUSINESS PLAN FORMAT**

### **COVER SHEET**

1. Identify the business.
2. Identify location, phone number, or where the principals can be reached.
3. Who the plan is to be submitted to.
4. Who prepared the plan.

### **STATEMENT OF PURPOSE – Money need justification.**

1. Who is asking for money?
2. What is the business structure (i.e. sole proprietorship, partnership, corporation, sub chapter S corp., limited liability company)?
3. How much money?
4. What is the money for?
5. How will the funds benefit the business?
6. Why does the loan or investment make sense?
7. How will the fund be repaid?

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### **PART I – THE BUSINESS**

#### **A. DESCRIPTION OF BUSINESS**

1. Type of business (i.e. merchandising, manufacturing, or service)
2. Status of business (startup, expansion, etc.)
3. Form of business (sole proprietorship, partnership, corporation)
4. Why will the business be profitable?
5. When will (did) your business open?
6. Business hours and days of the week you will operate.
7. If seasonal, or if the hours will be adjusted seasonally.
8. Why will you be successful in the business?
9. What is your experience in the business?
10. Have you discussed the business with possible competitors?
11. What will be special about your business?
12. Will trade suppliers provide any managerial or technical help?
13. Have you asked about trade credit terms?
14. What credit terms will you extend to customers?
15. Do you have any contracts or letters of intent?

#### **B. THE MARKET**

1. Who is your market?
2. What is the present size of the market?
3. What percent of the market will you have?

4. What is the market's growth potential?
5. As the market grows, does your share of the market decrease?
6. How are you going to satisfy your market?
7. How will you price your service or product to insure fair profit and be competitive?
8. How will you attract and keep market (advertising, radio, tv?)
9. How can you expand your market?
10. If premium price, what justifies the premium?

**C. COMPETITION**

1. Who are your five nearest competitors?
2. How will your operation be better than theirs?
3. How is their business; steady, increasing, decreasing, and why?
4. What are their strengths or weaknesses?
5. How are they the same or different from you?
6. Did you learn anything from their operations?

**D. LOCATION OF THE BUSINESS**

1. What is the business address?
2. Physical features of the building?
3. Lease or own – term of lease.
4. Identify renovations and cost.
5. Zoning
6. What other businesses are in the area?
7. Why is this the right place to start?
8. Effect of the location on operating costs.

**E. MANAGEMENT**

1. Personal history of principals including financial statements.
2. Work experience related to the business.
3. Assignment of responsibilities and duties.
4. Salaries
5. Resources available to the business (Consultants, legal, accounting, marketing, business information centers, economic development groups)

**F. PERSONNEL**

1. What are the personnel needs at start-up: In 1 year, 2 years, 3 years?
2. What skills are required?
3. Are skills available – who will train unskilled?
4. Jobs – Full-time or part-time?
5. Salary or wages?
6. Fringe benefits
7. Overtime

## **G. APPLICATION AND REQUIREMENTS OF LOAN**

1. How is the loan to be spent? (Working capital, equipment, inventory, supplies)
2. What are the items to be bought? (Name, Model)
3. Who is the supplier – Quote when possible.
4. What is the price?
5. Is there additional charge: use tax, installation, freight, controls, etc.
6. How will the loan increase your profits?

## **H. SUMMARY**

1. Just in a brief statement, summarize all of the above statements.

## **PART II – FINANCIAL DATA**

### **A. SOURCES AND APPLICATIONS OF FUNDING**

1. List sources of securing capital (i.e. Mortgage loan, term loan, line of credit, investment, etc.)
2. List major categories of expenditures (real prop. equip., remodeling costs, inventory, working capital, contingency reserve)

### **B. CAPITAL EQUIPMENT LIST**

1. As a minimum, the listing would show: description of equipment; type or model No.; cost including sales tax, freight, and installation.
2. Secure prices from suppliers.

### **C. INCOME AND CASH FLOW FORECASTING**

1. Both forecasts should be prepared for two years in advance (use SBA form No. 1100 – Cash flow and No. 1099 – Operating Plan Forecast)
2. Forecast first year on a month-by-month basis. If no profit is shown in the first year, continue projection by month until a profit is shown and then record quarterly.

## **PART III – SUPPORTING DOCUMENTS**

### **A. REQUIRED DOCUMENTS**

1. Resumes
2. Quotes or estimates from suppliers
3. References or letters of support from creditable people who know you.

### **B. DESIRABLE DOCUMENTS**

1. Credit information – Personal Credit
2. Letters of intent from prospective customers.
3. Leases or rental requirements.
4. Legal documents pertaining to the business.
5. Marketing data – demographics, etc.
6. Physical layout of business space.