

# Business Plan Guide

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# What is a Business Plan?

It is a clearly written analysis of your company. It explains the industry in which you compete, your company's goals and objectives, and your plan to meet these goals.

# Why write a Business Plan?

- A Business Plan can help you obtain financing.
- A Business Plan organizes and formalizes your business thinking process.
- A Business Plan is a management tool that allows you to measure your success and assess whether you are meeting your goals.

# How Long should The Business Plan be?

A concise plan will be more effective and yield better results. It is important to be as realistic and detailed as possible without being overly repetitious.

# What financial information do I need to include?

You should obtain and be prepared to reference:

1. Your past three years income tax returns
2. An interim income statement and balance sheet (less than 2 months old)
3. Copies of any existing loans and notes
4. Three years of projections for balance sheet, income, and cash flow statements.
5. Personal net worth statement.

# What Topics are covered by the Business Plan?

1. Cover Sheet
2. Table of Contents
3. Executives Summary
4. Statement of Purpose
5. Business Description and History
6. Products and Services
7. Market Plan
8. Management and Operations
9. Financial Analysis and Projections
10. Timetable
11. Supporting Documentation/Appendices

# Cover Sheet

Your cover sheet should include the name of your company, its address, telephone number, and a list of the principals or major stockholders.

# Table of Contents

This should be an easy to read but very detailed page that references each section of your document.



# Executive Summary

This is the first and most important section of the business plan, and should be written LAST.

Think about this section as the ‘book jacket’ to your business plan- capturing the reader’s attention, illustrating a vibrant business opportunity, and presenting thoughts in a clear, concise, and convincing manner.

It should include the salient points of each section of your plan, as it may be the only section reviewed carefully by a prospective lender.

# Statement of Purpose

This is a brief statement of the business plan's objectives. If it is to be used as an operating guides, then that statement is rather simple: "This plan will be an operating and policy guide of XYZ Company."

In the case of the financing proposal, a few proposal, a few questions should be addressed:

- 1) How much money is needed?
- 2) What will the money be used for?
- 3) How will the funds benefit the business?
- 4) Why does this loan or investment make business sense?
- 5) When will the funds be repaid?

# Business Description and History

This section describes your business and its history and should include the following topics:

1. Legal structure, ie. sole proprietorship, partnership, corp., s-corp., etc.
2. Product and/or services and potential customers
3. The names of owners and/or major stakeholders.
4. Location of your business and whether you own or lease. Description of whether your business has land, building, and/or equipment
5. Number of Employees
6. Highlight the background of business, how it started, how it evolved over time and what rate of growth you are experiencing.
7. Your niche in the marketplace (what makes you unique)
8. Mention any awards or accomplishments of business achievement the company received.

If this is a new business, specifically discuss the industry's history and trends.

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# Products and Services

Describe in detail the product line and services offered by your company. Outline the need for your product or service and how your offering is unique.

1. List and describe any patents or product innovations that make your company different from your competitors.
2. If you plan to introduce new products, describe them and mention when they will be introduced into the market.
3. Discuss any additional use or moment into additional markets your products might have.
4. Product packaging and product servicing.

# Market Plan

A marketing plan is the foundation of a business.

It is your written, decisive set of strategies that will position your business in the market to successfully meet customer needs or wants at a profit

## Market Analysis:

The purpose of this section is to discuss the overall market (environment/industry) and how it will affect your business.

# Market Plan Focus (Cont)

## Customers (market)

- Target your market. Remember you cannot be everything to everyone. Be specific.
- A good profile of your customers will help you better define your market, target a place of expertise within that market, and get an idea of the sales and profit potential.
- Provide the source for your information.



# Competition

1. How does your product and/or service compare with competitors in price, service, location, etc?
2. What is the market share and potential of each competitor: Image in the market?
3. How do you plan to keep an eye on the competition in the future?

# Marketing Strategy

1. Pricing:
2. Packaging:
3. Promotion:
4. Position:
5. Distribution:

**SWOT – an evaluation of Strengths, Weaknesses, Opportunities in the market and potential Threats to success have no been evaluated yet ?**

# Management and Operations

- This section gives a brief overview of the structure and key management team members, functions of each position, strengths (background), and the decision making process as illustrated in an organizational chart.
- Indicate the education, qualifications and past business achievements of these individuals, as well as their job description, compensation, and benefits.
- Copies of the resumes of the management team should be placed in the Appendix.

# Operations

- Describe how you plan to perform your service, manufacture or sell your products.
- Discuss your location and hours of operation
- Describe your present facilities and equipment, whether they are leased or purchased and needs for future
- If you are a manufacturer, describe the manufacturing process, including production, quality control, breakdown of costs, etc.

# Financial Analysis and Projections

- This section is one of the most important sections of the Business Plan.
- You must base your facts and figures on historical and/or industry information in order for your projections to be accurate.
- The only reliable method of evaluating cash flow is to estimate cash inflows and outflows on a month-to-month basis. This is known as a cash budget.
- It is a projection of what your company's checkbook will look like at any given point in time.
- A cash budget is vital because reveals both the magnitude and timing of borrowing.
- A Cash Flow Plan is a working tool used to project the movement of cash in and out of a business.

# Interested in More Information?

Make an Appointment to see one of  
our Business Advisors.