

## BUSINESS PLAN OUTLINE

Your Business Plan should be prepared using the following format:  
The headings suggest the minimum information to be included.

### I. Statement of Purpose:

#### 1. General

State the name of your business and its principals, the legal structure of the business, the objectives of the business plan, what will be accomplished, and whether this is a planning or financial guide.

#### 2. For a Financial Proposal:

- a. Indicate how much is being requested, what the money will be used for and who the borrower is.
- b. Indicate how the funds will benefit the business.
- c. Indicate how the funds will be secured and how they will be repaid.

### II. Description of the Business:

1. Explain type of products and services in detail.
2. Status: Indicate whether this is a start-up, take over of an existing business or an expansion of an existing business.

### III. Address and Facilities:

#### 1. Address:

- a. Indicate why is this a good address.
- b. Give a description of the neighborhood and surrounding area.

#### 2. Description of the Property:

- a. Indicate square footage and physical features of the building.
- b. Describe arrangements: lease, rent, purchase.

#### 3. Renovations required:

- a. Explain what they are and how they are needed.
- b. Include a cost estimate for construction.
- c. Include a layout.

### IV. Ownership and Control:

#### 1. Structure

- a. Sole proprietorship - one owner
- b. Partnership – how many owners
- c. Corporation {type}

#### 2. Who are stockholders or partners?

#### 3. List business affiliations

### IV. Management Capabilities

1. Prepare and include an organization chart.
2. Prepare and include resumes on principals which include:
  - a. personal history

- b. related work experience
- c. duties and responsibilities
- d. salaries

V. History of Firm:

1. Explain chronological development of your business
2. State problems encountered
2. Describe strengths:
  - a. For start-ups: Explain your products/services, viability, research done, contacts made, licenses and what has been achieved to date.
  - b. For on-going business and expansion: Explain your products/
  - c. For takeover of going concerns: Explain
    1. Why current owners are selling
    2. How the purchase price was calculated
    3. What is the trend of sales and how you plan to impact those sales
    4. How can the business become more profitable

VII. Marketing Area and Plans:

1. Sales plan:
  - a. Who are your customers: Describe the client population by age, sex, race, ethnic group, income group, profession and any other information you have.
  - b. Why do they buy {price, quality}
  - c. How do they buy {cash, charge, discount}
2. Pricing:
  - a. Develop a mark-up goal
  - b. Develop price lines and analyze the overall effect of your pricing practices.
  - c. Maintain adequate records and reprise according to your own findings.
3. Advertising and Promotion:
  - a. Analyze the market (give a full description, what percentage can you reasonably expect to capture, what segment will you focus on)
  - b. Describe what you will promote, where and how much you expect to spend on promotion/advertising.
  - c. Research the various advertising systems: direct mail, newspapers, handbills, telephone Yellow Pages, radio, television, billboards, penny savers are a few)
4. Distribution Plan
5. Sales forecast

VIII. Competition

1. Name five of your nearest competitors
2. Is their business steady, increasing or decreasing
3. How are they similar and dissimilar
4. What their strengths and weaknesses are
5. What you have learned by watching them
6. How are you better
7. Why will you be success in business

IX. Financial Needs and Purposes

1. State the amount of money which is required
2. Describe the sources and use of the funds requested
3. Describe what form new capital will take (debt or equity)
4. Is the debt to b e secured by signature of borrower only (unsecured) or to be secured with assets (collaterized)
5. State the terms being requested.

X. Financial Plan

Your financial plan should include the following:

1. Business financial statements which are less than 90 days old
2. Business balance sheets and Profit & Loss statements for each of the preceding three years.
3. Income and expense projections for the next two years.
4. A detailed cashflow analysis covering the next twelve months as well as a break even analysis.
5. An annual budget.
6. Business tax returns of the past three years
7. Personal financial statements for all principals including personal tax returns for two years

XI. Resources and other information: Attach the following as exhibits:

1. Name, address and phone number of:
  - a. Accountant
  - b. Attorney
  - c. Bank and banker
  - d. Insurance agent and insurance company
  - e. Economic development organizations (federal, state and city) with which you are working.
  - f. Trade associations
  - g. Consultants
2. Copies of:
  - a. Buy/sell agreement
  - b. Appraisals
  - c. Insurance policies or binders
  - d. Licenses required
  - e. Leases