

# Business Plan

## INTRODUCTION

### Summary Business Plan:

A one to two page summary of the Business Plan should be a brief and accurate presentation of the highlights of the project and its opportunities and should include the following:

### **I. PRODUCT & SERVICE**

#### The Project:

Indicate when the company was founded, what is special or unique about it, what it intends to accomplish in this project for which funds are being requested. Also indicate what in the background of the management team makes its members particularly qualified (Ex. Unique know how) to pursue the business opportunity.

1. The Business and its industry: This section should describe the nature and history of the business and provide some background on its' industry.
  - a. The Business: Legal entity, general business category
  - b. Description and Discussion of Industry: Current status and prospects for the Industry.
2. Products and Services: This section deals with the following:

Market Opportunities: Identify and briefly explain the market opportunity. This explanation should include information on the size and growth rate of the market for the business' product or service, and a statement indicating the percentage of that market that will be captured. A brief statement about industry-wide trends and any indication of plans for the expansion of the initial product line should be included.

- a. Description: Describe in detail the products of services to be sold
  - b. Proprietary Position: Describe proprietary or unique features of any product patents, franchises, territory agreements, trade secrets
  - c. Potential: Features of the product or service that may give the company an advantage over the competition
3. Market Research and Evaluation: The purpose of this section is to present sufficient information to show that the product or service has a substantial market and can achieve sales in the face of competition.
    - a. Customers: Who are the actual and potential purchasers for the product or service by market segment?
    - b. Market Size and Trends: What is the size of the current total market for the product or service offered?
    - c. Competition: Provide an assessment of the strengths and weaknesses of your company versus the competition's products and services.
    - d. Estimated Market Share and Sales: What is it about your product or services that will make it saleable in the face of current and potential competition.

4. Strategic Market Plan: The marketing plan should detail the product, pricing, distribution, and promotion strategies that will be used to achieve the estimated market share and sales projections. The marketing plan must describe what is to be done, how it will be done and who will do it. The plan should address the following topics:

Overall Marketing Strategy	Work-in Process
Inventory	Packaging
Service and Warranty	Pricing
Distribution	Promotion

5. Design and Development Plans: If the product, process or service of the proposed business requires any design and development before it is ready to be placed on the market, the nature and extent of this work should be fully discussed. This section should cover items such as Development Status and Tasks, Difficulties and Risks, Products and Costs.

## **II. MANAGEMENT**

1. Operations Plans: An Operations Plan should describe the kind of facilities, location, space, capital equipment and labor force (part and/or full time and wage structure) that are required to provide the company's product or service.
2. Management Team: The Management Team is the key in starting and operating a successful business. A Management Team should be committed with a proper balance of technical, managerial and business skills and experience in doing what is proposed. This section must include a description of the key management personnel and their primary duties; management assistance and training needs; and supporting professional services. If it is one-person or a several-person business, explain the management experience of each individual participating in the business.
3. Overall Schedule: A schedule that shows the timing and interrelationships of the major events necessary to launch the venture and realize its objectives. Prepare, as part of this section, a month-by-month schedule that shows the timing of such activities as product development, market planning, sales programs, production and operations. In a retail environment, the majority of sales occur around Christmas. Fluctuating sales are normal--be as accurate as possible. Sufficient detail should be included to show the timing of the primary tasks required to accomplish an activity.
4. Community Benefits: The proposed project should contribute to economic, community and human development within the project's target area. Among the benefits that could be discussed are:

### Economic

- a. Number of permanent jobs generated or maintained in each of the first three years of the project
- b. Number of skilled jobs and the number of other higher paying permanent jobs
- c. Purchase of goods and services from local suppliers

- d. Increases in personal, property and/or business taxes paid

#### Human Development

- a. New technical skills development and associated career opportunities for community residents
- b. Management development and training

#### Community Development

- a. Development of community's physical assets
- b. Does the business meet an unsupplied need of the community
- c. Improvement in the living environment

### **III. FINANCIAL**

#### Financial Data:

Identify pro forma sales and profit goals for the three years. Clearly state the financial investment needed for the business and all other funds already obtained or committed.

1. **Critical Risks and Assumptions:** The development of a business has risks and problems which the Business Plan should explicitly address. Accordingly, identify and discuss the critical assumptions in the Business Plan and the major problems that will have to be solved to develop the venture. This should include a description of the risks and critical assumptions relating to the business, the venture, its personnel, the product's market appeal, and the timing and financing of the venture.
2. **The Financial Plan:** The Financial Plan is basic to the development of a Business Plan. Its purpose is to indicate the projects potential and the timetable for financial self-sufficiency. In developing the Financial Plan, the following exhibits must be prepared for the existing year and for each of the next two years to include:
  - a. Profit and Loss Forecasts-quarterly each year
  - b. Cash Flow Projections-quarterly each year
  - c. Pro Forma Balance Sheets-quarterly each year
  - d. Initial Sources of Capital Funds
  - e. Any Future Capital Requirements and Sources