

The Business Plan Template

Business Plan Outline

This module is designed to help you understand the importance of developing a business plan and the benefits that can be recognized by the compilation of an accurate, well-researched plan.

The business plan is your key to success and is your blueprint for sourcing capital (financing).

The First Capital Business Loan Fund (FCBLF) requires that the business plan be completed in order to assess the viability of your business or business idea. Should your plan meet the criteria set forth by the fund, we will commence further assessment and proceed with a loan application. If you are struggling in specific areas of the business planning process, we will direct you to people who can help. They *will* not write the plan for you. That you must do yourself.

The Business Plan – What Is It?

The business plan is a written summary of the overall activities of the business enterprise. It is a report on the company's sources and uses of funds, its management personnel and labour relations, its products and marketing strategy, its production techniques and research program. It describes the past, present and future of the enterprise. When it is properly prepared, the business plan becomes a blueprint for financing and a plan for the future. It should be complete, organized and factual. The business plan forces management to plan and to balance plans. It is a dynamic document that should be updated regularly as new opportunities present themselves and also a benchmark for you to measure progress (or lack of) towards your goals.

Why Bother With A Business Plan?

- It can help you focus, in a logical and organized manner, on the future growth of your company
- It is an essential tool in obtaining money from a lender
- A plan expresses your goals and budget and allows you to monitor your progress
- Completing this plan will show you the difference between profit and cash flow
- The plan is for YOU – as well as the lender

What Should A Business Plan Say?

Set out below is a table of contents, which outlines the story you will tell about your new or existing business. It's easy to tell your story in writing. All you have to do is answer these questions:

- The industry you are in
- Background of your company
- Description of your product or service
- The market and how you will reach it
- Pricing and delivery policies
- Where you will operate from
- What assets you have or need
- A description of *how* your product is made or *how* you will provide your service
- Management and employees required
- Potential problems or risks
- What you need money for
- Financial data

If any of the following circumstances apply to you, then you need a business plan:

- Not sure if you are making a profit
- Seem to make a profit, but are strapped for cash day to day
- Wonder whether now is the time to move your business from part-time to full-time
- Have gone to the bank with scratchings on the back of an envelope and have been turned down for a loan
- Wonder where you will be in three years time – whether your business character will change
- Are at the point of hiring employees for the first time
- *Need Money*

There are many other reasons – but the most important is to introduce you to the planning process. You will know more about your own business or idea after completing the plan than you do now. A plan proves you are serious about success, committed to your ideas, and have invested time and effort in your approach.

Business Description:

Please provide a brief summary (past/present/future) of the business or industry you will be involved in.

What types of trends/growth patterns are occurring in your sector of business?

Form of Business Ownership:

Sole Proprietorship

Partnership

Incorporated

Joint Venture

Federal

Incorporation/Registration Date: _____

Rationale for choosing form of ownership:

What were the main reasons for you to venture into self-employment?

Where is or where will your business be located?

Why was this location selected?

Is your property: ___ Owned?
 ___ Leased?

Date Purchased? _____
 Expiry Date(s)? _____
 Rate(s) per sq. ft: _____
 Total sq. ft. area: _____

What major assets or equipment do you already have pertinent to the business operation?

Description	Cost	Est. Mkt. Value	Net Book Value
1)	0	0	0
2)	0	0	0
3)	0	0	0
4)	0	0	0
5)	0	0	0
6)	0	0	0
Totals	\$	\$	\$

If you are an existing business and you have experienced losses or setbacks in previous years, what are the reasons?

Reason	Year	Cost Effect	Solution

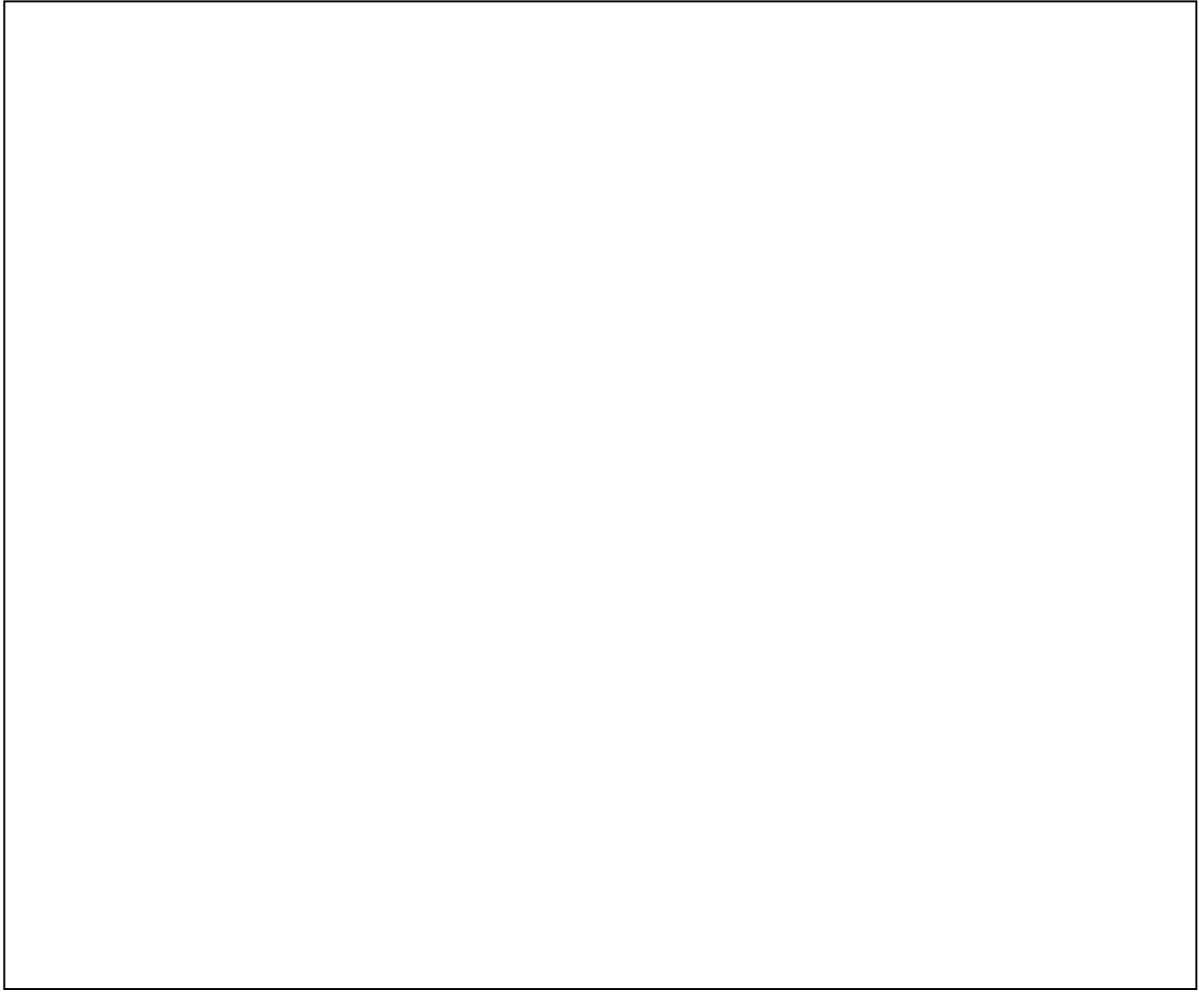
The Product or Service

Describe specifically what your business will do. What product or service will be provided?

Are there any unique features or benefits of your product or service?

Are any additional products or services slated for the future?

If you manufacture a product, describe how it is made (Attach additional sheets if necessary).



The Market

What types of people will buy your product or service?

List examples of current clients you sell to (or if you are just starting up – people you have spoken to who have expressed interest in buying from you)

What territory will you cover, or sell to?

How will you inform customers about your service or product? How will you promote your business?

Who are your competitors?

Who are your suppliers?

What are the seasonal trends of your business (Example: January-March = 20% of sales; April-September = 40% of sales; October-December = 40% of sales).

Pricing and Delivery

What is the price range for your product or service? Give specific examples (Example: product retails for \$10.00-\$50.00; services are charged at \$30.00 per hour).

Is pick-up and delivery relevant to your operation? How?

What is your cost to obtain the product you sell? Use specific examples.

What is your mark-up percentage?

State any discounts, credit policies, or terms of payment.

Management

Who will manage the overall operations of the company?

What will be the owner's specific duties?

What other employees will be required and for what purpose?

Who will do the monthly bookkeeping?

Will specific training be required for your employees? Who will provide this service?

Financing and Revenue

Do you require a loan for you business? How much?

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WHAT WILL THE MONEY BE USED FOR?		
Asset	Vendor	\$ Cost
Working Capital		

What will your total dollar sales be over the next year?

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Are you paid in cash or collect in 30 days?

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Do you pay cash for goods and materials you sell, or are you billed on a 30-day basis?

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How much capital do you have in the company or how much are you going to put up?

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How much will your yearly expense be for the following:

Description	Amount
Advertising	
Auto or Truck Expense	
Bank and Visa Charges	
Insurance	
Legal and Accounting	

Rent	
Business Taxes and Licenses	
Telephone	
Hydro, Water and Heat	
Office Expense	
Travel and Seminars	
Subcontract Labour	
Employee Wages	1.
	2.
	3.
	4.
	5.
Owner's Salary	
Business Loan or Mortgage Payments	
Other	

When will the following be paid? What month?

- Insurance Premium: _____
- Employee's Wages: (i.e. – weekly) _____
- Business Taxes: _____
- Truck Insurance and License: _____

Will you have any security deposits to make? (Example: hydro, telephone, installation, first and last months rent?)

What Is Offered As Security For A Loan?	
Description	Value

Attach the following (if applicable):

- last three years financial statements
- current aged list of accounts receivable
- current aged list of accounts payable
- personal resume of owner (s)
- personal statement of net worth
- opening balance
- Cash Flow Forecast

Listing of Equipment and Vehicles

Equipment

Vehicles

Business Plan Outline II (This provides the headings to input into your own format)

Part One – Preliminary Pages

1. Cover Sheet

- Identify the business and the document
- Identify who the principals are and where they can be reached
- Keep it neat, attractive, and short
- Use a logo if you have one
- If submitted as a financing proposal, each bank you submit it to will need a separate sheet

2. Statement of Objectives

- No more than half a page
- Short, business-like

3. Executive Summary

- No more than one or two pages
- Brief description of proposed business plan
- Do not complete this statement until you have written the plan
- Highlight financial data
 - Projected gross sales and profits – first year
 - Capital requirements

4. Table of Contents

Part Two – Business Concept

5. Situation Analysis

- Background
 - Description of the development of the business
 - Date of incorporation
 - Date operations will commence
- Present market conditions
- Competition
 - Nature of competition
 - How the new venture will compete with companies in the same type of business
- Market opportunities
- Management team
 - Names of officers and key management personnel
- Conclusion
 - Statement of why your business will be successful

6. Marketing Strategy

- Target Market
 - Size of market
 - Who will your customers be?
 - What are their characteristics?
 - Where are they located?
 - What motivates them to buy your product?
 - Define your market by geographic location or by age/sex/income, etc
- Product Strategy
 - Describe what you plan to manufacture or retail, or if you are a service, describe your service
 - Include a discussion of packaging, product or store name, image, product uses, warranties
- Pricing Strategy
 - Do you know what to charge to cover yours costs?
 - Price/quality relationship
 - Penetration or skim-the-cream pricing?
- Promotion Strategy
 - Personal selling
 - Public relations
 - Sales promotion
 - Advertising
- Distribution Strategy
 - Proper site location can help your business make money
 - If you are a manufacturer, what might your site location be
 - If you are a retailer, why is this the optimal location?

7. Operating Strategy

- Decide how to use your limited financial resources
- Decide how to organize production
 - Capital requirements and start-up costs
 - Labour requirements
 - Establishing supplier relationships
 - Inventory control
 - Hours of operation/method of operation
 - Insurance Plan

8. Organization Strategy

- Form or organize
 - Sole proprietorship
 - Partnership
 - Corporation
- Job description

- Recruitment and training procedures
- Compensation of employees
- Opportunities for advancement

Part Three – Market Data

9. Market Survey

- Survey objectives and methods
- Tabulation of results
- Discussion of results

Part Four – Financial Data

10. Financial Strategy

- Sources and applications of funds
- Capital expenditures and operating costs
- Income statement
 - Project on a monthly basis for first year
 - Project on a quarterly basis for the second year
 - Project on an annual basis from then on
- Balance Sheet
 - Essential for the lender to see
- Cash flow
 - Most critical planning tool for a new business
 - Project on a monthly basis for first year
 - Project on an annual basis for years two and three

Top 10 Mistakes of Business Plans – Or Mistakes Our Clients Do NOT Want To Make!

1. Failing to plan in the first place!
2. Ignoring the business' real mission!
3. Ignoring the customers!
4. Underestimating the competition!
5. Ignoring the business' strengths!
6. Mistaking a budget for a plan!
7. Running away from 'reasonable' risks!
8. Ignoring professional advice!
9. Being afraid to change!
10. Not including reasonable remuneration for owner & staff!