Business Plan Outline

The SBDC will review your draft business plan by appointment.

I. Cover Page/Title page:
   A. Owner’s Name, Address, Phone number, email, website, etc.
   B. If seeking a loan add: Company title page, names and addresses of principal owners, general partners, and/or officers. List date of issue and add “Copy Number__X__” to control copies. Ask reviewers to sign a confidentiality agreement and indicate return of copy is required.

II. Table of Contents: A single page showing major topics and page references.

III. Executive Summary:
   A. Write this section last, and only include if you are requesting funding. This is a compilation of facts and figures from Sections IV through VIII.
   B. Cover the purpose of the plan, structure of your business, ownership issues and how the venture will be successful.

   For a Financing Proposal, answer the following questions:
   a. Who is requesting the funds and how much is needed?
   b. Why are the funds being requested?
   c. How will the funds be repaid?
   d. What collateral will be offered to secure the loan?
   e. Why does this loan or investment make sense? (Show impact on the local economy, job creation, increased tax base, investing in the community, etc.)

IV. Description of the Business/Mission/Goals & Objectives:
   A. General business description
      a. Discuss business status (Start-up, expansion, purchase, buy-out, existing).
      b. Discuss potential contract work. Include contract terms in appendix.
      c. Discuss commitments of intent from prospective customers or suppliers.

   For existing businesses, answer the following:
   a. What is the history of the business?
   b. If the business is failing, explain why. How can you turn it around?
   c. How will your management make the business more profitable?
   d. What is the purchase price formula (Building, improvements, equipment, inventory and goodwill)?

   B. What is your mission statement?

   C. Goals & Objectives (Specific milestones, revenues, new products, hires, succession planning)
      a. What are your short-term goals? (0-1 year)
      b. What are your long term goals? (2+ years)
V. Industry Background Information/Research:
   A. Industry Size, Trends and Description
      a. Describe your industry and its history.
      b. Describe the industry’s size, current/future trends.
      c. Explain how the current economic conditions will affect your business.
   B. Business Fit in the Industry
      a. Are you a large or smaller player within the industry?
      b. How will you make an impact?

VI. Organizational Matters:
   A. Business Structure, Management, and Personnel
      a. Legal Structure: What is/will your business structure and when did/will you register with the Secretary of State?
      b. Management
         i. What is your business and management experience? Describe your education (Formal and informal) Are you physically suited to the job?
         ii. List any other management positions within the business and their job responsibilities.
      c. Personnel
         i. Describe your organizational structure and include brief job descriptions (Include a chart if necessary).
         ii. Describe personnel needs for the next three years. List the skills your employees must have, especially professional needs. (i.e., engineers). Discuss whether you will train your employees; hire only trained workers, use part-time help or independent contractors.
         iii. List proposed salaries and wages. Are they consistent with the industry norm?
      d. Outside Services/Advisors
         i. List management resources that are available (Accountant, lawyer, SBA, SCORE, SBDC, etc.).
      e. Risk Management/Licenses and Permits:
         i. Is your business name registered with the appropriate state and local agencies?
         ii. What other licenses or permits will you need? Have you applied for them?
         iii. State how you will be affected by local zoning regulations.
         iv. Describe your potential business risks and what insurance coverage you will purchase.

VII. Marketing Plan:
   A. Products/Services
      a. What is your product or service?
      b. What are the benefits to the customer?
      c. Discuss the seasonality of your business/industry and how it relates to what you are doing.
      d. Discuss your plans for future products/services.
   B. Market Analysis
      a. Customer Analysis: Explain who needs your product/service, and how you plan to reach them. Describe the geographic, demographic and psychographic parameters or your target market groups.
      b. Competitive Analysis
         i. Who are your competitors? What are their strengths and weaknesses? What are yours? Who are the strongest competitors? How likely is it that new competitors will enter your market?
         ii. How can you serve the market better than your competition? (Service, quality, hours)
      c. Market Potential
         i. Current trade area description. In what area do you operate?
         ii. Market Size and Trends
            a) What market do you intend to serve?
            b) What is the present size and growth of the market? Document your sources.
            c) What percent of the market will you have now and in the future? How quickly can you reach that percentage? (Document sources)
C. Marketing Strategies
   a. Location/Distribution
      i. What is your business address and why did you choose that location?
      ii. Will the building/space be leased or owned? List terms and length of contract or note.
      iii. What renovations will be needed and at what cost? How will they impact your lease?
      iv. Describe the neighborhood (i.e. stable, changing, improving or deteriorating). Is there any
          competition?
      v. How much can your business expand before you will be forced to move or add on?
      vi. How will you distribute your product or service? (Postal, transportation, direct mail, sales, internet)
   b. Price/Quality Relationship
      i. What is your pricing structure?
      ii. What features or services will you offer that will justify your price? Describe your pricing policy.
      iii. How will you handle credit sales? Will you extend credit – at what terms? Will you accept major credit
          cards?
   c. Packaging: How is/will your product or service be packaged?
   d. Promotional Strategies
      i. How will you attract and keep your market segment? (Sales, advertising, public relations, etc.)
   e. Customer Service
      i. How will you address customer service issues?

VIII. The Financial Plan
A. Cash Flow Projections
   a. Break-Even Analysis
   b. Monthly Cash Flow Projections—Year One (Detail by month the first year, by quarter the second year and
      annually the third year; be sure to include notes and assumptions)
   c. Assumptions/Notes to Cash Flow Projections
B. Financial Statements
   a. Projected Income Statement: (Detail by month the first year; by quarter the second year and annually the
      third year; be sure to include notes and assumptions)
   b. Projected Balance Sheet
   c. Statement of Owner’s Equity
   d. Sources and Uses of Funds Statement; Capital Equipment List
      For an existing business: include current Balance Sheet and Income Statements (less than 90 days old) and/or
      Tax Returns for the past three years.
C. Additional Financial Information
   a. Summary of Financial Needs
   b. A brief description of the management reports and statistics you will use to monitor your business.
   c. Briefly discuss how you would handle the worst case scenario (i.e. how to pay back the loan if your business
      fails).

IX. Appendix/Supporting Documents
A. Personal resumes and financial statements for all principal owners, general partners and/or officers.
B. Letters of reference (At least three business/personal references)
C. Letters of intent from prospective suppliers or customers.
D. Copies of all leases, contracts, agreements, deeds, patents or other legal documents.
E. Any visual, brochures, pictures, etc. of your products.
F. Any other information that might help your case or answer potential questions.