

# **BUSINESS PLAN**

## **OUTLINE**

# **BUSINESS PLAN AND CASH FLOW PROJECTIONS FOR**

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(Name of Business)

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(Name of Owner)

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(Business Address & Phone)

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## **I. Executive Summary**

Briefly summarize the key points contained in this plan and explain why you think your business will be a success. Indicate the size of the loan you are seeking and describe how funds will be used.

## **II. Business Description**

What will your business do? What products or services will it offer? What is the legal structure of the business? Who owns the business? Where will the business be located? Why is this a good location for your business? What will your business hours be? When and why did you decide to start this business? What skills and background experience do you have that will make this business a success? What are your goals over the next 6 months, 1 year, 3 years, 5 years? What are your plans for reaching these goals?

## **III. Market Analysis**

Describe your product or service in detail.

What makes it unique?

Who are the customers for this product or service?

What geographic areas will you be targeting with your business?

Is there a demand for your product or service in this area, and if so, how strong is the demand?

Do you expect the demand for your business to grow or change over the next few years?

Discuss and market research or surveys you have don to support your conclusions.

Describe the competition for your business:

Who are your competitors?

What are their strengths and weaknesses?

How will your business compare with theirs in terms of prices, quality, etc?

What advantages will your business have over theirs?

## **IV. Marketing Plan**

How will you sell or deliver your product or service?

What distribution channels will you use?

What kind of marketing strategy will you use to let potential customers know about your business?

Describe your pricing strategy: How much will you charge for your products or services?

How did you arrive at these figures?

## **V. Management and Operations**

Including yourself, how many employees will your business have? What will be their responsibilities?

What is the borrower's role in the business?

Summarize the training, education, and business counseling that has been received.

How will your business records and accounts be maintained?

Who will be responsible for preparing monthly, quarterly, and annual financial reports?

What licenses or permits are required for your business?

What kind of insurance will you need for your business?

Who are your suppliers? What are their credit policies?

How much of an inventory will you need? Where will it be kept? What is expected inventory turnover?

#### **VI. Funds Required, Their Uses and Repayment**

What are your pre-opening expenses? What are your monthly fixed operating expenses? What are your total monthly operating expenses? What are your monthly variable operating expenses? What are total funds required for start-up? Total pre-opening expenses + (Total monthly operating expenses multiplied times two) = total funds required for start-up

How much of the total funds required will you be able to contribute from your own pocket?

How much of the total funds required will you be able to raise from family, friends, and private investors?

How much of the total funds required will you be seeking to borrow from a bank or loan program?

Please specify how you would use loan money.

What repayment terms are you seeking on this loan?

How do you plan to raise the money to repay the loan? How will you repay the loan if that plan fails?

#### **VII. Financial Projections**

What is your 12 month Cash Flow Projection? (See Attachment) What is your 3-year Quarterly Cash Flow Projection? (See Attachment) Summarize what research has been done in preparing cash flow projections. What is the reasoning behind the projection estimates?

#### **VIII. Appendices or Exhibits**

##### **REQUIRED:**

Resume of owners and key management personnel

Copies of business permits, lease, contracts, etc.

List of board of directors (or professional advisors consulted and/or retained)

##### **SUGGESTED:**

Industry/market studies Blueprints, plans, maps, and/or photos of your business location Brochures and advertising materials for your business Letters of intent from future customers Detailed lists of equipment owned or to be purchased Organization chart for your business.