



Tri-County Economic Development District

Rural Opportunities Loan Fund

Business Plan Development Outline

Business Management Plan Index

Section I – Business Description

| | |
|--|----|
| Business Plan Overview | 1 |
| Executive Summary | 2 |
| Introduction to the Business | 3 |
| Purpose of the Business | 4 |
| Overview of the Business | 5 |
| Description of the Product/Service | 6 |
| Features of the Product/Service | 7 |
| Future Product/Services | 8 |
| Wholesalers/Suppliers/Support Services | 9 |
| Management Team | 10 |
| Schedule | 11 |
| Subcontractors | 12 |
| Personnel/Labor | 13 |
| Business Location | 14 |
| Facilities | 15 |

Section II – Marketing Plan

| | |
|--------------------------|----|
| Marketing Definition | 16 |
| Target Market | 17 |
| Market Analysis | 18 |
| Competitor Analysis | 19 |
| Competition Analysis | 20 |
| Sales/Distribution | 21 |
| Pricing Strategy | 22 |
| Competitive Advantage | 23 |
| Advertising Plan | 24 |
| Promotion Plan | 25 |
| Customer Service/Support | 26 |

Section III – Financial Plan

| | |
|-----------------------|----|
| Equipment | 27 |
| Production Process | 28 |
| Financial Information | 29 |

Section I

Business Description

Business Plan Overview

Our Purpose in creating these worksheets is to assist you by helping you to think through your business ideas and creating a viable business plan. It is our hope that as you complete the worksheets you will be able to see what you need to be doing in order to make your business a success.

Outline

This outline is designed to help you write a business plan. The outline is not the business plan. The business plan is a written result of the research done to fill out this outline. The business plan is a “living document” and should be reviewed periodically to check and see if your business is proceeding according to plan – if not then you should either modify the business or re-work your business plan – the end result is that you should wind up with a business plan that accurately reflects your business as it is being operated.

Objectives

A successful business just doesn't happen. It takes a great deal of research, planning, and good old fashioned hard work. A well-documented business plan will help you think through your business ideas, document your policies, and implement your plans.

The business management plan consists of three sections: The first section describes your business, the second section will help you address your marketing plan, and the last section deals with your financial planning. Upon completion of this business plans you and your management team will be provided with the information needed to succeed. You will also have the documented evidence that is required by a loan officer in order to approve any loan that you may need to cover start-up and operating costs until your business becomes profitable.

Executive Summary

The executive summary, or cover sheet to your business plan, briefly explains the rest of the business plan in one or two pages. Page two should be your table of contents. This shows the lender on which page each section can be found. The executive summary should include:

1. Request for loan and the purpose of the loan.
2. The owners and their credentials.
3. The market and competition.
4. The amount of money needed.
5. How the loan will be repaid.
6. How long you want to loan to last.

SAMPLE EXECUTIVE SUMMARY

Mr. John Doe
SBA
801 W. Riverside
Spokane, WA 99205

Dear Mr. Doe:

We are requesting a loan to expand our espresso business. The two owners, Jan Smith and Carla Roberts, have ten years management experience in coffee shop sales.

The market for espresso is increasing in this area. The number of cup sales per day has increased from 35 to over 200 in the last two years from our existing facility. We attribute this increase to increased local purchases, tourism, and our marketing efforts.

There are three local competitors. Two are family owned businesses that do no marketing events or promotions and are little more than profitable hobbies. The third, a national chain, is well managed but lacks our management and marketing skills.

We request \$10,000 expansion loan, which will include approximately \$5,000 in building rehabilitation costs. We would like to repay this loan over a five-year period. The source of repayment will be from cash flow of the business. Our secondary source of repayment is from collateralized equipment. Our homes and business assets are offered as collateral. Their equity value is \$150,000.

Attached is our business plan which backs up our request. If you have any questions please call me at (509) 684-4571.

Sincerely,
Jan Smith

Introduction to the Business

Business Name: _____

Business Address: _____

Owner(s) 1. _____

2. _____

3. _____

State of Business

Start-up

Expansion

Existing

Franchise

LLC (Limited Liability Corporation)

Legal Form of Business

Sole Proprietorship

Partnership

Corporation

S-Corp.

Type of Business

Retail

Service

Manufacturing

Distributor

Wholesale

Other

Purpose of the Business

List several reasons why you are, or want to be, in business:

Describe the image you want to create for your business:

Sum up the objectives of your company:

Short Term (Within 5 years of start-up)

Long Term (5 – 10 years)

Overview of the Business:

Briefly describe the products or services your business will offer:

What will your products or services do for buyers? (Fulfill an unmet demand, reduce costs, improve efficiency, provide quality, etc.)

Highlight several unique aspects of your business (products/services):

Identify your customer (consumers, manufacturers, government, etc.):

When will your business be open – what days, which hours?

Describe the experience, education, and skills you bring to your business:

Description of Product or Service

What are you selling? Describe all of your product(s) or service(s) in detail.

List at least three ways your product or service will benefit the customer.

1 _____

2 _____

3 _____

4 _____

Are the products/services market-ready? If not, how long until they will be?

What is the price of your product or service? What is the cost to produce it?

If you are offering a line of products or several services, which are presently in demand?

Feature of the Product or Service

What is unique or different about the product or service your business is offering?

List three or more advantages your product or service has over the competition.
(Consider price, quality, availability, dependability, expertise, special training, etc.)

- 1 _____
- 2 _____
- 3 _____
- 4 _____
- 5 _____

Discuss any trademarks, copyrights, or patents necessary for your product or service.

Future of the Product or Service

What are the future plans for innovations or improvements to the existing product or service?

What new products or services to you plan to include in your business in the future?

Describe further improvements in development of your products or services using time lines if necessary.

Management Team

List the members of your management team and discuss each in terms of strengths, weaknesses, duties, responsibilities, etc.

Professional and Business Advisors:

Accountant _____

Attorney _____

Banker _____

Insurance Agent _____

Specialists _____

Consultants _____

Other _____

How will your background and experience benefit you in business?

Schedules

When are you scheduling to start your business? _____

What steps – and in what order – have you identified to get you to your scheduled opening?

What are your plans if your timeline falls behind schedule? _____

How will you provide the income needed for pre-existing obligations if your business timeline is disrupted?

Subcontractors

Will you be subcontracting any jobs? _____

Explain: _____

How much of your production or service will be subcontracted?

List your subcontractors:

Personnel / Labor

Total number of employees:

Full Time _____

Skilled _____

Part Time _____

Unskilled _____

Give a brief job description of each employee position:

1 _____

2 _____

3 _____

4 _____

5 _____

What are your plans for hiring and training personnel?

What salaries, benefits, vacation, and holidays will you offer your employees?

Business Location

What are your location requirements?

Why are the area and/or building desirable?

Is your location easily accessible (consider traffic patterns, etc.)

Is Public Transportation available?

Is customer and employee parking available?

Facilities

Facilities Requirements:

- | | | | |
|-------------------------------------|-------------------------------------|--------------------------------------|---------------------------------------|
| <input type="checkbox"/> Building | <input type="checkbox"/> Office | <input type="checkbox"/> Warehouse | <input type="checkbox"/> Retail Store |
| <input type="checkbox"/> Restaurant | <input type="checkbox"/> Mall Space | <input type="checkbox"/> Home Office | <input type="checkbox"/> Other |

(describe)

Discuss your facilities requirements (include special considerations, preparations, and square footage needs – i.e. office space, retail floor space, production area, shipping, storage area, etc.)

Will you lease or purchase your facilities? Why?

If you are renting or leasing, what are the length and terms of your lease agreement?

Supporting documentation such as photographs, building plans, etc., may be included in this section or attached to the plan.

Section II

Marketing Plan

Marketing Definition

Market Identification:

- | | | | |
|--|---------------------------------------|------------------------------------|--------------------------------------|
| <input type="checkbox"/> Consumers | <input type="checkbox"/> Government | <input type="checkbox"/> Retailers | <input type="checkbox"/> Wholesalers |
| <input type="checkbox"/> Manufacturers | <input type="checkbox"/> Distributors | <input type="checkbox"/> Resellers | <input type="checkbox"/> Other |

Market Size (population) :

- _____ Recent past (3-5 years)
- _____ Current
- _____ Projected (3-5 years)

Market Status:

- Declining
- Stable
- Growing

Is your product or service seasonal in nature? _____

Discuss any economic factors which may affect the sale of your product or service (i.e. inflation, recession, distressed economy, etc.)

Target Market

Simply and clearly describe your target market and how it pertains to your product or service.

What market segments will you target (geographic, industry, specific consumer, etc.)?

On what factors are your target market's buying decisions based? (Price, quality, quantity, availability, dependability, etc.)

How much will your selected market spend on your type of product or service in the coming year?

Competitor Analysis Sheet
(You may need to make additional copies)

Competitors Name: _____

Competitors Address: _____

Years in Business: _____

Market Share: _____

Price: _____

Strategy

Product or Service

Features

Strengths and Weaknesses: (Consideration may include location, size, resources, reputation, services, personnel, etc.)

Strengths

Weaknesses

| | |
|-------|-------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

Competition Analysis

(Use information from Competitor Analysis page)

How many direct competitors are in your target market? _____

How competitive is the market?

High Medium Low

How would you describe the competition's level of business?

Steady Increasing Decreasing

Summarize the competition in your market area:

Sales and Distribution

How are you going to sell your product? (Briefly describe the selling and distribution network)

Will the business employ its own sales force or will deals and distributors be used?

Will you utilize a commission or other incentive program for sales? (Describe)

What special skills will the sales fore require (Personality traits, education, technical etc.)

List three ways you will attract, maintain, and increase your market share:

- 1 _____
- 2 _____
- 3 _____

What are your sales (revenue) forecasts for the next three years?

Year 1 _____ Year 2 _____ Year 3 _____

Pricing Strategy

Identify Pricing Strategy:

- Markup on cost (%) Competitive Pricing (in line with competition)
- Mfg. Suggested Retail Cut-rate (below competition)
- Other (Describe) _____

Discuss the strategy selected for pricing your product or service:

How do your prices compare to the industry-wide averages?

Competitive Advantages

List your business strengths/weaknesses: (Consider areas such as location, size, resources, reputation, services, personnel, quality, etc.)

Strengths

Weaknesses

Summarize your competitive advantages:

Describe how you will compete against the strengths and weaknesses of your competition (Previously discussed in the Market Analysis section).

Advertising Plan

Identify the advertising media you plan to utilize:

- Classified Advertising Yellow Pages Party Plan
 Display Advertising Word of Mouth Brochures
 Catalogs / Mail Order Internet Network Marketing

Describe your selected advertising media. (Indicate what percentage of your overall advertising budget will be invested in the selected methods)

Describe future planned changes in advertising:

Include photocopies of ads, brochures, etc., that you have used or plan to use.

Promotion Plan

Describe the tactics you will implement to promote your business:

- | | | |
|---|---|-------------------------------------|
| <input type="checkbox"/> Public Speaking | <input type="checkbox"/> Telemarketing | <input type="checkbox"/> Networking |
| <input type="checkbox"/> Direct Mail | <input type="checkbox"/> Supplier leads | <input type="checkbox"/> Party Plan |
| <input type="checkbox"/> In Shop Promotions | | |

Describe how you intend to implement the tactics you have selected:

What sources will you use to develop promotional ideas?

Customer Service/Support:

What type of servicing / support will be made available to your customers?

Factory-only Service Company Field Service In-House Servicing

Service Contract Technical Support Telephone Support

Other (describe) _____

None

When the product breaks down, how are you going to repair it with the smallest cost to you and the minimum disruption to your customer?

What type of warranty policies will you offer? Standard Non-Standard

What is your policy on returns/allowances?

What is your credit policy for customers?

Section III

Financial Plan

Equipment

What equipment is currently owned? (List)

What equipment needs to be purchased? (List)

What supplies are needed to run your business? (List)

Discuss any special equipment or supplies needed.

Production Process

This section will usually pertain only to those who plan to manufacture a product.
Respond to those questions that are relevant to your plan:

Briefly describe your production process:

What are the states of production?

How does the production process utilize new technology?

What production or operating advantage do you have?

Financial Information

How much money will you need for the start-up of your business?

| Item | Cost |
|----------------|----------|
| _____ | \$ _____ |
| _____ | \$ _____ |
| _____ | \$ _____ |
| _____ | \$ _____ |
| _____ | \$ _____ |
| TOTAL \$ _____ | |

What are the total funds needed by your business for the next three years?

Year 1 \$ _____

Year 2 \$ _____

Year 3 \$ _____

If seeking a loan:

Loan Amount \$ _____ Interest Rate _____%

Term (Length of loan) _____ months

How much do you have to invest in your business?

Cash \$ _____ Collateral \$ _____

Attach Personal Financial Statement - Personal financial statements are available at most banks, stationary, and office supply stores. The statement may be added as an attachment with a reference from this section of the business plan.

Attach Business Financial Statement