

Business Plan Outline

I. Plan Summary

*Complete this section after the rest of the business plan and simply highlight the most important aspects of the plan.

II. Description of Your Business and the Industry

A. Explain in two or three sentences what you do, or propose to do.

B. If this is an existing business, give a history of it.

1. When was it started?
2. Why was it started?
3. Who started it?
4. How has it changed over time?
5. What have been its strengths and weaknesses?
6. Why has it been successful or not successful?

C. Background information on the industry.

1. How did the industry develop?
2. What has the industry's growth been like?
3. What are the predictions for the industry's future?
4. Is the industry made up mostly of large or small companies? Why?

III. Marketing

A. Product or Service

1. Describe each product/service you will sell. List each separately.
2. What is special or unique about the product/service you offer?
3. What benefit does the customer get from your product/service?

B. Target Market

Describe the people buying or who are most likely to buy your product/service. (If you have more than one target market, describe each).

HINT: Resist the urge to say "everyone". Some people will use the product/service more often or in larger quantities than others.

1. For products or services aimed at individuals:
 - a. Describe their general characteristics:
 - 1) How old are they?
 - 2) What sex?
 - 3) Where do they live and work?
 - 4) What is their income?
 - b. Describe their interests and attitudes:
 - 1) Married or unmarried?
 - 2) Children? How old?
 - 3) Where do they shop? How often?
 - 4) What are their other interests? Any interests, hobbies, etc. that they might have in common?
 - c. Describe their buying behavior:
 - 1) How often will they buy?
 - 2) How much will they buy? How much will they spend?
 - 3) How far will they travel to make the purchase?
 - 4) How much will they shop to compare alternatives?

2. For products/services aimed at other businesses or organizations:
 - a. Describe the organizations' characteristics:
 - 1) How big are they (either in terms of sales or employees)?
 - 2) Where are they located?
 - 3) What industries do they represent?

Describe their buying behavior:

- 1) What do they buy now or how do they fulfill this need?
- 2) How often do they buy?
- 3) How much do they spend?
- 4) Who makes the purchase decision?

C. Who are your competitors?

1. List your top three to five competitors.
2. Describe each.
 - a. What do they do?
 - 1) Are they direct competitors (do pretty much what you do)?
 - 2) Are they indirect competitors (satisfy the same need or solve the same problem as you but in a different way)?
 - b. Where do they do it?
 - c. How do they do it?
 - d. What are their strengths and weaknesses?

D. Pricing

1. How will you price your product/service?
2. How does your pricing compare to your competitors' pricing?

E. How will you promote your product/service?

1. Advertising
 - a. Where?
 - b. How often?
 - c. What is the cost?
2. Personal sales
 - a. What part does personal sales play in the purchase of your product/service?
 - b. Who will be responsible for selling?
 - c. What qualifications will your salespeople have to have?
 - d. What are your customer service policies?

IV. Operations

A. Location

1. Where will your business be located? (If you have not picked the exact location, list the characteristics of the location you will be seeking).
2. What is important about this location or these characteristics for your business?

B. Furniture, fixtures, and equipment needs. Make a list of everything you need. If this is an existing business, indicate what you already have and what you will need to purchase.

C. Inventory

1. Make a list of what you need for a base level, on-going inventory. Will there be seasonal changes? If this is an existing business, indicate what you need to bring your existing inventory up to this base level.
2. Suppliers.
 - a. Who are or will be your major suppliers?
 - b. What is their reputation (or your experience) for quality, reliability, speed of service, and price?

D. Cost of goods sold

1. If you are a manufacturer:
 - a. What are the costs of the materials that will go into producing one finished unit of your product(s)?
 - b. What will be your labor costs of producing one finished unit?
 - c. Are there any other costs?
2. If you are a retailer or wholesaler:
 - a. What is the difference between what you pay for your goods and what you sell them for?
3. If you offer a service:
 - a. How much does it cost you to provide that service?

V. Organization

- A. What legal form of ownership have you chosen (sole proprietorship, partnership, corporation, limited liability, etc.)? Why?
- B. Who will run the business on a daily basis? Exactly what will their responsibilities be? What are their qualifications?
- C. Other employees
 1. What other positions need to be filled?
 2. What qualifications will future employees need?
 3. Training
 - a. Will training be needed?
 - b. What kind of training?
 - c. Where will they get it or who will do it?
- D. Employee costs
 1. What will the salary or wages be for each of these positions?
 2. Will you offer any benefits? If so, what benefits and what will be the cost of these?
- E. Support personnel
 1. Will you need an attorney, an accountant, or other consultants?
 2. Who will they be?
 3. How much will they cost?
- F. Licenses and permits
 1. What licenses and permits do you need? (Call One-Stop Business Permit Center at 1-800-248-4040)
 2. Do you meet the requirements for each of these licenses and permits?
 3. What is the initial and renewal cost of each? How often does each need renewed?

VI. Financial Forecasts

**This is the part that scares many clients the most. Without realizing it, you have gathered most of the information needed in this section just by completing the previous sections. Your SBDC counselor can help you pull it all together.*

A. Pre Start-Up

1. How much money will it cost to get ready to open?
 - a. Building or remodeling costs
 - b. Equipment, furniture, and fixture costs
 - c. Inventory costs
 - d. Rent or mortgage, utilities, insurance, and employees prior to opening
 - e. Pre-opening advertising
 - f. Attorneys, accountants, and other consultants prior to opening

2. How do you propose to finance this? How much will come from:
 - a. Personal savings
 - b. Bank loans
 - c. Personal loans from friends or family
 - d. Outside investors
 - e. Other

B. Projections:

1. What will your monthly sales be for the first year? What will your quarterly sales be for years 2 and 3?
2. What will your monthly expenses be for the first year? What will they be quarterly for years 2 and 3?
3. Complete Monthly Income, Cash Flow and Balance Sheet Projections for Year 1 and quarterly projections for Years 2 and 3. Be sure to include an explanation of how you came up with these numbers.

VII. Supporting Documentation

This is a list of some of the kinds of things that may be needed.

- A. Personal financial statements for all owners (always needed)
- B. Resumes of key personnel (always needed)
- C. Employment contracts
- D. Quotes from suppliers for: inventory, construction or remodeling costs, furnishings, fixtures, equipment, insurance, and advertising
- E. Letters of intent from or contingent contracts with: property sellers, landlords, suppliers, customers, prospective key employees
- F. Partnership agreement or incorporation documents
- G. Published facts, figures, and projections relevant to your business
- H. Historical Financial Information - if an existing business
- I. Past 3-5 years personal Income Tax Returns