

## **BUSINESS PLAN OUTLINE**

### **I. NARRATIVE**

#### **1. Cover Sheet**

Name of business, owner(s), address, phone and fax numbers, web site address.

#### **2. Table of Contents**

The Table of Contents outlines each section and where it can be found. Do this last, after all the pieces are complete.

#### **3. Executive Summary**

The Executive Summary presents a brief highlight of each section of the Business Plan. Do this section after the Plan is completed. Readers will turn to this section first to get a comprehensive overview of the entire Business Plan.

#### **4. Loan Request**

If part of the purpose of your Business Plan is to obtain a loan, describe the details of your loan request in this section. Include the following information:

- Loan Amount
- What the funds will be used for. Be very specific. For example, \$3,000 for a computer, \$1,000 for advertising, \$500 for a fax machine, etc.
- How many years you will take to repay the loan?
- Monthly loan payment
- What you will offer as collateral?
- Value of the collateral

#### **5. Mission Statement**

Every business has a mission. A mission statement is a statement of the business' purpose – what you want to accomplish in the “larger environment.” A clear mission statement acts as an invisible hand that guides your business toward a goal. Your mission statement should be “market oriented.” Being market oriented means defining your business in terms of satisfying your customer.

A mission statement helps to answer the question, “What business am I in?” For example, if you own a hair salon, realize that you are not in the business of cutting hair, but making people feel good about themselves through their physical appearance.

**WESST's mission is:** To be a home to entrepreneurs. We strive to provide a support system for our clients so they can successfully grow their business through market penetration, job creation, and capital accumulation.

## 6. Business Description

Describe your business in detail using complete sentences.

### Background:

Begin with the story of how and/or why you decided upon this particular business.

For example:

- Did it start as a hobby that you then found a market for?
- Were you doing it for someone else, but thought you could do it better on your own?
- Did you see a market need that wasn't being filled?

### Name:

- What is the name of your business?

### Legal Structure:

- What is the legal structure? (Sole Proprietorship, Partnership, Corporation, LLC)

### Location:

- Where is the business located, or where will the business be located? Describe the physical setting.

### Detailed Product/Service Description:

- What is the product or service you offer?
- How do you make sure your product or service is of the best and consistent quality?
- If applicable, describe the production process.
- Is your business seasonal?

### Pricing:

- How are you pricing your product/service?

### Start-Up Requirements:

What do you need to go into or expand your business?

- The amount of space needed and why? What will this cost?
- What inventory will you need? Where will you buy it? What will it cost?
- What equipment will you need? Where will you get it? What will it cost?
- Any other specific needs to your business? At what cost?
- How many employees will you need, if any, and why?
- What equipment and/or furniture do you already have? Describe. What is its market value?

## 7. Market Analysis

### Industry:

Describe your market or industry. Be very detailed and use complete sentences. Use the following ideas as guidelines:

- How has your industry changed in recent years? Is it growing or shrinking?
- Have there been changes in regulation, technology, or customer awareness?
- If it is growing, how many more people are using the product/service?
- If it is shrinking, how will you take advantage of this?
- Where did you get the information to answer these questions? Document your sources.

### Customer Profile:

Who is your target customer? Give facts about your customers. For example:

- Income ranges from \_\_\_\_\_ to \_\_\_\_\_ per year.
- Ages range from \_\_\_\_\_ to \_\_\_\_\_.
- Males \_\_\_\_\_ Females \_\_\_\_\_.
- Where do your customers live? (City, county, neighborhood).
- Your market area covers \_\_\_\_\_ people in a \_\_\_\_\_ mile area.
- Customers will buy the product/service because: \_\_\_\_\_  
\_\_\_\_\_
- Customers will buy it:  
\_\_\_\_ daily \_\_\_\_ weekly \_\_\_\_ monthly \_\_\_\_ quarterly \_\_\_\_ yearly \_\_\_\_ other
- Customers are willing to spend up to \_\_\_\_\_ for the product/service.

### Competition:

- What makes your product/service different from the competition?
- Why would someone purchase your product/service over the competition? This is a very important section!
- Provide a detailed analysis of your competition.
- Tell about your three strongest competitors. What are their strengths? Their weaknesses?
- Why would the customer prefer to come to you rather than the competition?

## 8. Marketing Strategy

The marketing strategy follows from your Market Analysis. It should include a detailed plan for promoting and selling your product or service that includes SMART goals and ways to measure each marketing tactic.

- Specify the channels of promotion that best reach your target customers (print, PR, social media, web, radio/TV, etc.) and what you will specifically execute in each channel to promote your product/service.
- What is the specific message you will convey in each channel to speak to your targeted customers?
- Specify a timeline and frequency for each activity and what budget will be allocated to each (in time and money).

## 9. Business Management

- Who will manage this business?
- What skills, background, etc. do you or this person bring to the business?
- What will you or this person be responsible for?
- Who else will be on your “team for success?”
  - \* Business Consultants? \* Accountants? \* Legal Advisor? \* Other?
- Will you take a salary or owner’s draw?

## 10. Business Operations

### Employees:

If you will have employees, explain the following:

- Where will they come from?
- What training will they need?
- Will they be full-time or part-time?
- Will they be paid hourly or by salary?
- What back up do you have if an employee is sick?
- Will you offer benefits?
- Specify each employee’s scope of duties. Include a job description.

### Suppliers:

- If you use suppliers, discuss their availability and reliability. What back up do you have?

### Legal Requirements:

- Have you researched all the state and local taxes, laws, zoning requirements, permits and

license requirements that pertain to your business? What are they?

- What insurance needs do you have and how will you meet them? At what cost?

## 11. Critical Risks

Unfortunately, things can happen in our lives or our businesses to change the direction we thought we were heading. It is important to consider anything that could negatively impact your business and be prepared to handle it. Remember, if you work out these potential problems now (on paper), you should be prepared to handle anything that might take place.

Identify threats that might negatively impact your business and what your plan of action would be. Use the following examples as guidelines:

- Declining sales or lower than expected sales (possibly due to economic slowdown, new competition, incorrect assessment of market).
- Demand for product/service is too high and the business can’t meet the needs
- Fire or other disaster that destroys or damages the premises
- Loss of key supplier
- Loss or illness of key employee; illness of owner (you!)
- Customer doesn’t pay, hurting cash flow

## 12. Future Plans

Describe your vision for your business in the future as it grows and changes to meet the needs of the market. For some people, expansion is the goal. For others, being able to delegate and have more time for family is important. Consider the following questions as you work on this section:

- Where do you see the business in one year and why?
- What changes do you see in the market and in your own life, which may influence the business a year from now?
- Where do you see the business in five years and why?
- What trends do you anticipate in your industry over the next five years?

## **II. FINANCIALS**

### **1. Balance Sheets**

- NEW BUSINESS: Projected Balance Sheet for years 1, 2 and 3
- EXISTING BUSINESS: Balance Sheet for the past 2 – 3 years

### **2. Income Statements**

- NEW BUSINESS: Projected Income Statement
- Year 1: Month by Month
- Years 2 and 3: Quarterly
  - EXISTING BUSINESS: Income Statement for the past 2 – 3 years

### **3. Cash Flow Statements**

- NEW BUSINESS: Projected Cash Flow Statements
- Year 1: Month by Month
- Years 2 and 3: Quarterly
  - EXISTING BUSINESS: Cash Flow Statements for the past 2 – 3 years

## **III. APPENDIX**

Attach any documents which will help the reader of your Business Plan understand why this is a good business opportunity. You may include:

1. A personal resume for every manager
2. Job descriptions for key managers/employees
3. Your personal financial statements
4. Your credit report and a written explanation of any problem in your credit history with a description of how you addressed those problems
5. Your personal tax returns for the past 3 years
6. Letters of reference from other business owners or professionals (banker, accountant, managers, etc.)
7. Letters of intent from businesses who are agreeing to sell to you or buy from you
8. Copies of leases on buildings or equipment
9. Legal documents created for the business (including partnership agreements, articles of incorporation, etc.)
10. Samples of marketing materials for the business
11. Anything else which supports your Plan