

## Business Plan Guidelines

Every business venture can benefit from the preparation of a carefully written business plan. The purpose of the business plan is to:

1. Help you think through the venture and ensure that you have considered all your options and anticipated any potential difficulties.
2. Convince potential lenders and investors that you are in control of the project and that their money will be safe with you.
3. Serve as an operating guide as you turn ideas into a viable business.

The following pages provide a suggested outline of the material that should be included in your business plan. The final product should be tailored to fit the circumstances and the personality of you and your business.

### Business Plan Outline

#### Cover

Name, address and phone number of the business. Give your plan a businesslike appearance by typing it on high quality paper and putting it in a vinyl or cardstock binder or a three-ring notebook.

#### Title Page

Repeat the business name, address and telephone number, and add the names and addresses of the principle owners. Also show the date of issue of the plan and type "copy number \_\_\_\_" so you can number and control the copies.

#### Executive Summary

A brief (no more than one page) statement of the business plans objectives. The executive summary address the following questions and adds additional information that helps "set the stage" for the reader(s) of your plan. It can also help you stay on track while you work toward achieving your goals. (The Executive Summary appears first in your business plan, **but is the last to be done**)

- A. What is the purpose of this plan? Will it be used as:
- An operating guide?
  - A financial proposal?

- A plan for your SE application?
  - A combination of the above.
- B. What business structure have you chosen for your business operation?
- Proprietorship
  - Partnership
  - Corporation
- C. Who is/are the principal(s) and what is/are the allocated proportion(s) of ownership in the business?

**Information required for a business plan requiring financial assistance:**  
*(if you do not require financial assistance, omit parts D,E, F, G, and H)*

- D. Who is requesting the funds and how much is needed?
- E. What will the money be needed for?
- F. How will the funds be repaid?
- G. What collateral/security will be offered to secure the loan?
- H. Why does a loan or investment make sense?
- ✓ Impact on local economy
  - ✓ Job creation
  - ✓ Increased tax
  - ✓ Investment in the future of the community
  - ✓

## **Table of Contents**

A single page showing major topics and page references.

## **Description of the Business**

Answer as many of the following questions as are appropriate:

- A. What business are you in?
- Type of business: Retail, Service, Manufacturing, or any combination of these?
  - What is the nature of your product and/or service?
  - What will be exceptional or distinguishable about your business, when comparing it to other similar products and/or services of this nature?
- B. What market(s) do you intend to serve? What is the total market availability, and what is your expected share? Think of your market availability as a pie – how

much of the pie do you expect to have? Include market research data that specifically supports these projections in your supporting document section of the plan.

- C. How can you serve the market better than your competition?
- D. Present status of the business: Is the business a new start-up, an expansion of an existing business, or are you purchasing or buying into an existing business?
- E. If you will be doing any contract work, what are the terms? Reference any firm contracts and include them as supporting documents.
- F. Do you have letters of intent from prospective customers/clients? Discuss this in the body of your business plan and make reference to their inclusion in your supporting documents.
- G. Do you have letters of intent from prospective suppliers? Discuss this in the body of your business plan and make reference to their inclusion in your supporting documents. If you have quotes and/or prices, also include these in your supporting documents.

**Information required when purchasing or buying into an existing business:**  
(omit if your business plan is for a new start-up business)

- A. What is the history of the business?
- B. Why does the owner wish to sell at this time?
- C. If the business is going downhill, why? How can you turn it around?
- D. How will your management make the business more profitable?
- E. What changes do you plan to make in the business?
- F. What is the purchase price formula? Give breakdown for building, improvements, equipment, inventory and goodwill.

**Note: If your business will be seasonal, make sure the seasonality is reflected in your narrative and financial projections with appropriate footnotes.**

### **Business Location**

- A. What is your business address and why did you choose that location?
- B. Will the building be leased or owned?
- C. What are the terms and length of the lease contract?

- D. What renovations will be needed and at what cost? Include quotes in your supporting documents section.
- E. Describe the neighborhood of your business location (e.g., is it stable, changing, improving, deteriorating).
- F. What other kinds of business are in the neighborhood (location area)?
- G. How much can your business expand before you will be forced to move or need to add onto the present building?

### **Licenses and Permits**

- A. Is your business name registered with the Registrar of Companies?
- B. Identify which governing body administers zoning regulations that may be applicable and state how your business operations will be affected by the zoning regulations. Include costs that may be incurred to meet any required zoning regulations in your supporting documents.
- C. What other licenses and/or permits will you be required to obtain. Include costs that may be incurred to acquire these licenses and/or permits in your supporting documents.

### **Management**

- A. What is your business and management experience?
- B. What education have you had, including both formal and informal courses that contribute to your managerial abilities?
- C. Are you physically suited to the job?
- D. Do you have direct operational and /or managerial experience in **this type** of business?
- E. Describe your organizational structure and include a brief description of who does what (include an organizational chart if necessary)
- F. List proposed salaries and wages, if applicable.
- G. What other management resources will be available (accountant, lawyer, CFDC of the Shuswap, others)?

## **Personnel (If Applicable)**

Write a paragraph or two about your personnel needs.

- A. What are your anticipated personnel needs?
- B. What skills must your employees have?
- C. Can you use part-time help to meet changing business volume?
- D. Will you have to train people, and at what cost?

## **Insurance**

Describe your potential business risks and tell what insurance coverage you will purchase to protect yourself. Include 2 or 3 quotes in your supporting documents.

## **Market**

Generally explain who needs your product or services and how you plan to reach them.

- A. What is the present size and growth potential of the market?
- B. What percent of the market will you have now and in the future?
- C. Describe age, sex, occupation, lifestyle, income, etc., of your various market segments.
- D. How will you attract and keep your segment of this market?
  - Product quality
  - Price
  - Public relations
  - Personal selling
- E. What features or services will you offer that will justify your price?
- F. How will you handle credit sales?
  - Extend your own credit – what will your process of selection be?
  - Accept major credit cards – what will the cost of doing business be?
  - Other ideas?

## **Competition**

- A. Describe your competition.
- B. Choose the top 3-4 competitors and compare their strengths and weaknesses to your business operation.
- C. What opportunities do you see when you analyze your competition?
- D. Explain any “threats” that potentially exist to your business operation and discuss how you plan to “be prepared” for these.
- E. What is your unique selling proposition and how will you use it to control your market share?

## **Financial Data**

- A. Source and application of funds statement.
- B. Capital Assets List
- C. Break-even analysis
- D. Projected income statement
  - Detailed by month
  - Detailed by quarter, second year
  - Notes of explanation and assumptions
- E. Cash flow projections
  - Detailed by month, first year
  - Detailed by quarter, second year
  - Notes on explanation and assumptions
- F. Projected balance sheet
  - Notes of explanation and assumptions
- G. For an existing business
  - Income statements
  - Balance sheets and/or
  - Tax returns for past three years

## **Supporting Documents**

- A. Personal resumes for all principals.
- B. Personal financial statements for all principals

- C. Letters of reference
- D. Letters of intent from prospective suppliers or customers
- E. Copies of all lease, contracts, or agreements deeds, or other legal documents
- F. Any other information (market research data) that might help your application and/or answer potential questions of the SE/Loan Committee members.