THE BUSINESS PLAN WORKSHEETS

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I. DESCRIPTION OF COMPANY

Name of Business:	
The type of business you are in:	
Date business was formed:	
Legal form of ownership (circle one): Proprietorship	Partnership Corporation Limited Liability
Reasons for choosing this form:	
Date & place of incorporation, if a corporation:	
Names of owners and key managers:	
Name	Position
Purpose of your business: Mission statement – what do Give it some thought, making it as concise and to-the-decision-making guide for your business from this point	point as possible. Then make this the underlying
Highlights of progress to date (if an existing business)	
	•

II. DESCRIPTION OF MANAGEMENT AND OWNERSHIP

If your business is larger than yourself, you need experienced and dependable employees and managers to staff your business. Often, you need to compensate for some of your business deficiencies by hiring competent personnel in the areas in which you are lacking. What is the organization of your business? What are the management positions? What are the duties of each position? Include an organization chart if the size of your business warrants it. Who will fill each position? What factors contributed to your decisions to hire each individual, i.e., what are their unique contributions to the business? Include a resume of each individual. What is each individual's compensation, ownership, and percentage of Native American ownership of the business, if any? Who are your professional advisors and what accomplishments have they contributed to your business? Include your lawyer, banker, accountant, insurance agent, advertising agency, etc.

,	each will be able to contribute to the success of your company (expertise, contacts, in investment in the business?
•	
	III. DESCRIPTION OF MARKETING PLAN
s there a sufficient ma	arket to establish your business? Yes No
What is the size of the	total market? What number of potential customers do you have?
	
Where is the market m decline)?	noving? Is it growing? By how much per year? What are the reasons for its growth (or
Yea	ır
Yea Sale	es
Yea	es
Yea Sale % Gro Vhat are your target m	es
Yea Sale % Gro Vhat are your target m	es ewth and why have you chosen them? You will need to pinpoint your potential
Yea Sale % Gro What are your target m	es ewth and why have you chosen them? You will need to pinpoint your potential
Sale % Gro What are your target m	es ewth and why have you chosen them? You will need to pinpoint your potential

	e market research you have undertaken. Describe in as much detail as possible the market have done and the conclusions to which it has led you. Describe additional research you
	earch, step one: discussing ideas with friends, family, and acquaintances. Purpose: to "bourd obtain feedback as to the feasibility of your idea/product.
	earch, step two: further, more detailed discussion with industry participants such as custom others who serve the industry, and, if possible, some members of the competition itself.
	arch, step one: secondary materials. This is research that might already have been done. Lib I information from industry associations are the heart of this step.
serve. It con business/pr	arch, step two: this is research you set out to accomplish directly with the market you intensists of 1) determining the information you need – essentially, whether there is a market for duct, 2) designing a questionnaire to obtain this information, 3) approaching your market of phone, through the mail, or in person, and 4) compiling this data to determine the answers ns.
 	
- !	
c ing What is you	pricing strategy?
How does i	compare with industry and competition? Why have you selected this pricing strategy? Hov
i iow does i	u to gain acceptance; maintain or increase your market share; produce profits?
it; enable y	
it: enable ye	

What is yo	ur promotion strateg	y?		
·				
	<u> </u>			
				
What is yo	ur <i>unique</i> selling pro	pposition?		
•	, 5,			
		-		
· · · · · · · · · · · · · · · · · · ·				
Media		Why Effective for	How	.
	Name	Your Business	Often Used	First Year's Cost
	_ Newspaper		Often	Year's
	_ _ Radio		Often	Year's
	Radio Television		Often	Year's
	_ _ Radio		Often	Year's
	Radio Television		Often	Year's
	_ Radio _ Television _ Outdoor		Often	Year's
	Radio Television Outdoor Yellow Pages		Often	Year's
	Radio Television Outdoor Yellow Pages Direct Mail		Often	Year's
	Radio Television Outdoor Yellow Pages Direct Mail Specialty		Often	Year's
	Radio Television Outdoor Yellow Pages Direct Mail Specialty Trade Show		Often	Year's
	Radio Television Outdoor Yellow Pages Direct Mail Specialty Trade Show Magazine		Often	Year's

	v business, do you have plans for a "grand opening"?
Do you	have a public relations program planned?
	
Do you	have promotional literature planned (such as brochures and catalogs)?
	·
Identify	major customers you have who are willing to make major purchase commitments.
tributi	ion
How do	you plan to get your product or service to your customers? What wholesalers, sales representat fors, dealers, etc. do you plan to use? What geographic area will each cover?
·	
·· ,	

IV. DESCRIPTION OF OPERATIONS

ocation: Building			
purchased? Consider the	nusiness location and its add costs involved (including r m in the financial section.	equacy for your business. I ent or mortgage payments	s it rented, leased, or , taxes, maintenance, and
How does your location	fit your market? Your distri	bution channels?	
Are there any zoning mo	difications, sign variances,	parking arrangements, etc	., that need to be obtained?
uipment			
(The more specific the in	formation you include here	e, the better).	
Item	Model	Serial #	Cost

Manufacturing or Other Proc Describe your manufacturing proc business). Specify the raw material	ess (or other processes and ways of doing business for a non-manufacturing
Describe your quality control.	

Describe your inventory control.	
endors	
List your vendors.	
	
Why have you selected certain one	es? What are the alternatives?

The Business Plan & Worksheets Describe your purchasing policies. **Employees** How many employees are you projecting? When will they be hired? What wage rates will you use? Where and how will you find new employees? Is the local labor force large enough and skilled enough for your needs? **Current Employees** Years **Position** Name **Employed**

Employee Additions

		When Added:	
Position	Year 1	Year 2	Year
			· · · ·
What are some of your major employee policies?			
		· ·	
What are your plans for employee training and the costs ass	ociated with it?	· · · · · · · · · · · · · · · · · · ·	
villa, a.e. yee. plane to enspreyer haming and the second	-		
How do you plan to motivate and keep employees?			
low do you plan to motivate and keep employees.			
			· - ··· · · · · · · · · · · · · · · · · ·

V. FINANCIAL PLAN

It is impossible to assemble any meaningful financial plan until all the other sections of the plan have been formulated because the amount of money needed depends upon what the business wants to accomplish. Nevertheless, this is the key section for most readers. It is the last chapter, so to speak. It reveals all. It is the so-called "Bottom Line" of your venture. The financial section covers four key areas and includes a description of how to prepare related vital documents:

- Proposed use of funds
- Pro-Forma Financial Statements Income Statement, Balance Sheet
- Assumptions for Financial Forecast
- Cash Flow Projections

Pro-Forma

Pro-Forma Financial Statements are necessary for the business owner to determine how successful the business will be during operation. Pro-Formas are often run based on three scenarios: 1) worst case, 2) expected, and 3) best case.

The Pro-Forma Income Statement is used to estimate the sales and expenses of the business. This will provide owners and lenders an estimate of profit and cash flow needed to operate the business in the first 5 years.

■ The profit/loss statement will take your income minus expenses and equal either a profit or a loss. For the first year the projected profit/loss statement should be done on a monthly basis. Thereafter, the second and third year may be done on a quarterly basis.

The Pro-Forma Balance Sheet will indicate what the business expects to own and owe in the future. The balance sheet should be used as a model by the business after the business is opened or expanded.

■ The balance sheet records the total assets, liabilities, and equity of a business on a specific day. The projected balance sheet is done every twelve months. If your company's business year end is December 31, then your pro-forma balance sheet reflects the assets, liabilities, and equity on that date. The projected balance sheet should reconcile with the projected profit/loss and cash flow statements. Included in this manual are forms to be used in the financial forecasting of your business. A rule of thumb when forecasting: "be as conservative and as realistic as possible." Remember, your business plan should provide you with all the supporting documentation when forecasting.

Financial Forecast Assumptions

Assumptions are a natural part of predicting the future, especially when it comes to financial and economic predictions. Projections are only as good as the assumptions on which they are based. The key is making valid assumptions. In the Pro Forma Budget Section, you researched all the different expense items: sales forecasts, inventory purchases, start-up costs, operating expenses, and capital equipment involved in business. The assumptions in the business plan explain how the budget figures were developed. Since the business plan is a projection of what is to happen, then the more factual the assumptions, the more valid the plan. Estimates are acceptable if based on reliable sources. Do not make up figures! Each assumption should be numbered. When the assumption is used in financial forecast, footnote it.

Cash Flow Projections

Much of the financial plan focuses on the development of the cash flow plan in which all of the money that comes into the business and goes out of it is contemplated. Only cash money is considered. Essentially, it is

the flow of funds! The net result is an estimate of how much capital will be needed with which to undertake the venture and how much money will be generated by operations down the line.

Entrepreneurs need to develop a cash flow plan for a time period that is long enough to show the cash breakeven point. This is the point at which you do not need additional capital, and, perhaps, the point at which investors will get their money back. Often the cash flow plan is detailed by months for the first two years and then by years thereafter. It is common practice to prepare financials for the first five years of operation. In some fast moving ventures, a weekly cash flow plan may be needed. Remember that all start-up costs should be reflected in the cash flow plan which begins from the venture's very first transaction.

Proposed Use of Funds

List all equipment, supplies, inventory, start-up costs, etc. needed to execute the business plan.

Item	Cost
	<u> </u>
TOTAL	
TO THE	

Projected Profit and Loss Statement

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total
Net Sales													
Cost of Sales													
GROSS PROFIT													
Controllable Expenses:													
Salaries													
Payroll Taxes													
Security													
Advertising													
Dues and Subscriptions													
Legal and Accounting													
Office Supplies													
Telephone													
Utilities													
Miscellaneous													
Total Controllable													
Expenses													
Fixed Exp. Depreciation													
Insurance													
Rent													
Taxes and Licenses													
Interest Payments on Loan													
Total Fixed Expenses													
TOTAL EXPENSES													
NET PROFIT (LOSS) before taxes													

Projected Balance Sheet

Year	to	

V	1		<u> </u>
 Year			
 ASSETS			
Current Assets			
 Cash			
Accounts Receivable			
Inventory			
TOTAL CURRENT			
Fixed Assets			
Equipment			
Vehicles			
Buildings			
Land			
Accumulated Depreciation			
TOTAL FIXED			
TOTAL ASSETS			
LIABILITIES & OWNER'S EQUITY			
Current Liabilities			
Account Payable			
Notes Payable			
Payroll Tax Payable			
Income Tax Payable			
TOTAL CURRENT			
LONG-TERM LIABILITIES			
Notes Payable			
Mortgages Payable			
TOTAL LONG-TERM			
TOTAL LIABILITIES			
OWNER'S EQUITY			
Owner's Equity			
Owner Withdrawals			
Current Earnings			
TOTAL EQUITY			
TOTAL LIABILITY AND EQUITY			

Cash Flow Projections

3 4 5 6 7 8 9 10 11 12		Month	Total											
reg. of month) In hard In ha		1	2	3	4	5	9	7	80	6	10	=	12	
n bank n investments sash e (during month) cash e (during month) cash tent income cash income cash income cash income cash income cash contents income cash contents contain contain contain cash expense ead cash expense ead cash expense ead cash expense ead contain conta	Cash (beg. of month) Cash on hand													
Cash in trivestments Cash in trivestments	Cash in bank													
Total cash See Total cash See Se	Cash in investments													
Income clutring month) cash Income clutring month cash Credit sales payment Income	Total cash													
Direction to the continue	Income (during month) cash sales													
Investment Income Investment Income Investment Income Loans Colher cash income	Credit sales payment													
Content cash income Content cash income	Investment Income													
Other cash income Other cash income Total income Other cash income Total income Other cash income Expenses (during month) Other cash cash cash cash cash cash cash cash	Loans													
Total income Total income Total income Total income Total income Total income Total cost & Income	Other cash income													
TOTAL CASH & INCOME Properties Propert	Total income							-						
Expenses (during month) Expenses (during month) Inventory or new material Mages (including owner's) Taxes Equipment expense Coverhead Selling expense Selling expense Coverhead Selling expense Coverhead Selling expense Coverhead Selling expenses Coverhead Total cash expenses Coverhead Total Expenses Coverhead TOTAL Expenses Coverhead CASH FLOW ++- CASH FLOW ++- (end of month) Coverhead Short-term loan MONTHLY Long-term loan ENDING CASH Coverhead TOTAL - Short-term loan Coverhead TOTAL - Long-term loan Coverhead	TOTAL CASH & INCOME													
Inventory or new material Inventor I	Expenses (during month)													
Wages (including owner's) Wages (including owner's) Taxes Taxes Equipment expense Colling expenses Selling expenses Colling expenses Total Expenses CASH FLOW +/- Cend of month) CASH FLOW +/- (end of month) CASH F	Inventory or new material													
Taxes Fquipment expense 6	Wages (including owner's)													
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TOTAL – Short-term loan TOTAL – Long-term loan														
TOTAL – Long-term loan	TOTAL – Short-term loan													
	TOTAL - Long-term loan													

VI. CRITICAL RISKS AND POTENTIAL PROBLEMS

What is the current profitability of the industry as a whole and of the major competitors in the industry?
What barriers are there to entry into the industry (for new businesses)?
What is the direction of technology within the industry and how are you able to keep up with and even advance it?
What are the prospects for the industry – where is it headed?
What are the effects of the following trends on your industry?
Economic – How is your business affected by the current economy and how might future changes affect it

that might affect it in the fu	luies		cultures within it? What are tr
Regulatory – Are there any new doors, for your busine	new laws or public trends t	hat will outlaw or cu	urtail demand, or that will ope
Technological – are there a technologies becoming out		ill enhance your bus	iness efforts? Or, are existing
npetitive Analysis			
Who are your principle cor	npetitors?	~	
Do you have at least some	of the following information	on each?	
Do you have at least some of Sales	of the following information Growth	on each?	Market Share
			Market Share

Strengths	Weaknesses
How can you overcome their strengths ar	nd capitalize on their weaknesses?
scription Of Product Or Service	
Describe your product(s) or service(s) in decompetitors and how yours meet the need	detail. Specify what may make them different from those of ds of the market in which you compete. What will your product(s) your product(s) or service(s) fit together in meeting your business
Describe your product(s) or service(s) in describe your product(s) or service(s) in descriptions and how yours meet the need service(s) do for your customers? How do	detail. Specify what may make them different from those of ds of the market in which you compete. What will your product(s) your product(s) or service(s) fit together in meeting your business
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Describe your product(s) or service(s) in decompetitors and how yours meet the need service(s) do for your customers? How do goals and business mission? Are patents, or how do you plan to make changes in your down do you plan to make changes in your down do you plan to make changes in your down do you plan to make changes in your down do you plan to make changes in your down do you plan to make changes in your down do you plan to make changes in your down down down down down down down down	detail. Specify what may make them different from those of ds of the market in which you compete. What will your product(s) by your product(s) or service(s) fit together in meeting your business copyrights, trademarks, etc. necessary? Our products or services in the future to meet market changes? Do your products or services in the future to meet market changes?
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What service and warranty policies do you plan to use? How will you handle problems?

VII. APPENDICES OR EXHIBITS

Additional Supporting Exhibits

- Personal financial statements
- Copies of personal and business tax returns
- Special items mentioned in your business plan. For example:
 - · Catalog or brochures you have developed
 - · Site plans for new buildings
 - · Specifications for proposed new equipment
 - Resumes of owners and managers
 - · Photographs of business
 - Market research report
 - And so on, as your particular situation dictates in order to assist the reader of your plan to better understand your business.