

# Business Plan Outline

## (Financial Proposal)

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### Table of Contents

- I. **COVER SHEET:** Name of business (name of applicant), names of principal, address(es) and phone number(s).
- II. **STATEMENT OF PURPOSE:** Brief statement of the objectives of the plan or proposal, including the amount, purposes, and benefits of the (BIDF) loan or investment.
- III. **EXECUTIVE SUMMARY:** Summarizes major points/findings of the business plan sections below.
- IV. **DESCRIPTION OF BUSINESS:**
  - A. **Business Concept:** Type of business (merchandising, manufacturing or service), status (startup, expansion or takeover), business form (sole proprietorship, partnership, corporation).
  - B. **Product/Service Description:** Proposed new product or service, manufacturing process.
  - C. **Key Production Factors:** Raw materials, utilities, transportation, labor availability, environmental and safety considerations, technical and/or equipment requirements.
  - D. **Location and Physical Facilities:** Regional, local, and site-specific location; description of existing or proposed facilities.
  - E. **Status of Current Operations** (for expanding businesses): Existing products, current financial status (revenues, profits), employment statistics.
  - F. **Tribal, Local, Regional Benefits:** Revenues, employment, increased viability or economic sector.
- V. **MARKET ANALYSIS:** In this section, use graphic and/ or photographic illustrations whenever possible and as appropriate to communicate more effectively the nature of your business
  - A. **Market Description:** Key market determinants (price, quality, on-time delivery); local, regional or national; private and/or public sector.
  - B. **General Market Trends:** Overall economic activity (local, regional); product or service specific market trends.
  - C. **Competition:** Competing facilities or businesses (size, location, revenues); basis for competing (e.g., better quality, price service).
  - D. **Market Projections:** Realistic market share and revenue projections, based on A., B., and C. above (in turn, these become basis for financial statements described below).
- VI. **ORGANIZATION AND MANAGEMENT**
  - A. **Form of Organization:** Corporation, Partnership, Sole Proprietorship, Joint Venture (including ownership, legal and financial implications).
  - B. **Management Plan:** Management requirements (senior and middle management) for various project phases, e.g., pre-operation and construction, startup, operating, key personnel; applicable organization chart(s); contractual arrangements.
  - C. **Training Plan:** Applicable especially if new business and/or involves several new employees.
- VII. **FINANCIAL ANALYSIS**
  - A. **Project Budget** (Applicable of Funding): By project phase (as applicable), i.e., project organization/ product development, design and construction, startup, operating.
  - B. **Structure of Financing** (Sources of Funding)
    1. **Equity** – cash, in kind, grants, syndication proceeds.
    2. **Debt** – working capital, long-term debt (Note: in each case, describe the source and/or terms of financing).
  - C. **Financial Statements**
    1. **Key Assumptions** – e.g., production cost (labor, utilities, raw materials), product pricing, production volumes (startup and full-scale operations), sales relate to market projections (Section III D.), inflation factor.
    2. **Summary Statements** – monthly for year 1, quarterly for years 2 and 3; except as noted, also include notes of explanations, as necessary:
      - **Income Projections** – Profit and Loss Statements.
      - **Pro-Forma Cash Flow**
      - **Balance Sheets** – beginning, year 1, 2 and 3.
      - **Measures of Performance** – internal rate of return, payback period, return on equity and on total investment.
    3. **Breakeven Analysis**
    4. **Historical Financial Reports** – For existing business, provide income statement, balance sheets, and cash flow statements for the past two (2) years.
- I. **IMPLEMENTATION PLAN** (Description of Plan and Schedule):
  - A. **Supporting Documents** – Pertinent technical specifications, letter of intent, copies of leases, contracts, legal documents, personal resumes, job descriptions, personal financial statements, credit reports, letters of reference, environmental approvals and/or waivers, and anything else of relevance to the business plan.

The question that follow is to help our Clientele prepare a comprehensive business plan and to determine if your plan is feasible, to identify questions and problems you will face in preparing to start-up your business.

## **DESCRIPTION OF THE BUSINESS**

What type of business are you planning (Retail, Wholesale Service)? Identify and briefly describe the business you plan to start?

Identify the product or service you plan to sell?

What type of opportunity is it (new, part-time, expansion, year round, seasonal)?

How will your product or service fill an unmet need?

Is the product or service to serve an existing market in which demand exceeds supply?

YES  NO

Will the product or service be competitive based on its quality, selection, price or location?

YES  NO

What are/is its promise(s) to be successful?

What are the growth opportunities?

## **MARKETING PLAN**

Who are your potential customers?

What are their needs and desires?

Where do you live?

Who are your competitors?

How are their businesses prospering?

Will the business you operate have the convenience of a parking area?

Where will the business be located?

What factors will influence the choice of the location?

What features will the location have?

How will your building contribute to your marketing strategy?

How will you promote sales?

Who will be your best suppliers?

Why?

What will your building layout feature?

## **ORGANIZATION PLAN**

Who will manage the business?

What basic skills/qualifications will you or the manager have to successfully run the business?

Do you or the manager have the skills/qualification, now?

How many employees will you require?

What will their job be if they are hired?

What are your plans for employee hiring?

Termination?

Wages?

Benefits?

Training?

Supervision?

When you are hiring, how will you know if the skills of the applicants meet the qualifications?

Have you had management experience:

YES  NO

How will you manage finances?

How will you manage the bookkeeping aspects of the business?

What type of consultants or specialists will you need?

Why will you need them?

## **LEGAL PLAN**

Is there a preferred name for your business?

Is your business going to be a sole proprietorship, partnership or corporation?

What licenses and permits will you need?

Is your business using a lawyer to assist you with the legal issues?

*Examples: Occupational Safety and Health Requirements, Federal Tax Code Provisions, Hazardous Materials, Withholding Taxes and Social Security, etc. What type of security and insurance protection will your business have?*

## **FINANCIAL PLAN**

How much money/assets do you have now? Include Cash on Hand, Savings Account, Stocks, Bonds, Securities, Accounts/Notes Receivables, Real Estate, Life Insurance (Cash Value), Automobile/Other Vehicles, Other Liquid Assets.

How much money will you need for a start up? Include cost; such as: Decorating, Remodeling, Fixtures (Equipment), Installing Fixtures (Equipment), Services, Supplies, Beginning Inventory Costs, Legal & Professional Fees, Licenses, Permits, Telephone & Utility Deposits, Insurance, Signs, Advertising for Opening, Unanticipated Expenses.

What will it cost for you to sustain your business for eighteen (18) months?

What will your business expenses be for one month for the following:

Employee Wages	\$ _____	Insurance	\$ _____
Rent	\$ _____	Taxes	\$ _____
Advertising	\$ _____	Maintenance	\$ _____
Supplies	\$ _____	Delivery/Transportation	\$ _____
Utilities	\$ _____	Miscellaneous	\$ _____

What is the estimated business monthly INCOME for the first year?

What is the estimated business quarterly INCOME for the second and third years?

What is the total estimated business INCOME for the first three years?

What will it COST you to open the business and sustain it for eighteen months of operation?

What will be your monthly cash flow during the first year?

What will your personal monthly financial needs be?

What SALES VOLUME will you need in order to make a profit during the first three years?

What will be the break even-point?

What will be your projected assets, liabilities and net worth be on the day before you expect to open?

What will be the capital value of your equipment?

What will be your total financial need?

What are your potential funding sources?

How will you use the money from lenders and investors?

How will the loan be secured?

**INCLUDE OTHER SIGNIFICANT INFORMATION**