

Business Plan

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NOTE:

The table of contents must be updated each time additional information is placed in the document. This will insure that the page numbers and links are correct.

To update the Table of contents, go to Tools | Reference | Generate or Press Ctrl + F9. A dialog box will appear. Check "Build hyperlinks" and then press ok. Your table of contents will automatically be updated.

Delete these instructions after you have updated the Table of Contents.

Your Company Name Business Plan

Subtitle to Attract Readers Attention

PLEASE NOTE THAT THIS FILE INCLUDES INSTRUCTIONAL TEXT HIGHLIGHTED IN BLUE SO THAT YOU CAN EASILY DISTINGUISH IT FROM YOUR WRITING. AFTER YOU HAVE WRITTEN A SECTION, DELETE THE BLUE TEXT.

The executive Summary must capture the essence of your proposed business venture. Try to keep the summary as brief as possible. Whether you are preparing this proposal for a venture capitalist, banker, or your boss, it is imperative that your summary be of the highest quality. These individuals are flooded with requests for assistance. Since the summary is a distillation of your plan, you might want to complete this section after you complete the rest of your business plan. Or write the summary first, then create the business plan and then go back to the summary, improve it and insure its consistency with the rest of your plan.

Since your objective is to lure the reader to want more information, your summary should have the following elements:

- It should be concise - you have one or two minutes to tell someone about your business.

- It should be exciting.

- It should communicate how your business concept is unique.

No matter how long you spent developing and honing your business plan, the reader of the plan will only spend five minutes reading it! It's important to make those five minutes work to your favor. You may have the most meticulous and well crafted business plan imaginable - in the end, however, the best plan is the one that entices the reader.

Surprisingly, many business plans neglect to include their formal name, address and principal contact. Please insure that you leave a number that is attended. If the business plan recipient can't reach you in one or two attempts, they will move on to the next proposal. Make sure this information is on your proposal - there is a prominent location on the front cover to put this information. Feel free to repeat the information in the Executive Summary.

[Begin typing your text here and delete blue text when finished]

Type of Business

This section answers the question - What business am I in - a non trivial question. Deciding what business you are in is probably the most important decision you will have to make. If you know it, include the SIC code that describes your business. Indicate whether the business is a start-up or an existing business.

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[Begin typing your text here and delete blue text when finished]

Company / Business Summary

Here, you can briefly describe the history of the company. Is this a startup? An expansion of an existing business? A division of a larger business that is launching a new product or service? Is the business a sole proprietorship, partnership or corporation? If your business is a going concern, briefly describe the company's historical performance.

[Begin typing your text here and delete blue text when finished]

Financial Objectives

Clearly state the sales and profitability objectives and the underlying ways that you will meet these objectives.

[Begin typing your text here and delete blue text when finished]

Management Overview

Perhaps the biggest key to success of any business are the people who run it. Be sure to summarize the expertise of the management in this particular business. Since poor management is a key contributor to business failure, describe why the cards are stacked in your favor.

[Begin typing your text here and delete blue text when finished]

Product / Service and Competition

Describe the product or service you are offering and clearly state why the product is unique. If the product is not unique, be sure to explain why it will succeed over existing products.

[Begin typing your text here and delete blue text when finished]

Funds Requested (optional)

If you are writing this proposal to an audience where you are requesting funds, be specific in your request. Select a number and explain why that amount is needed. Also state whether the money you are raising is in the form of equity or debt. When you send the proposal to organizations, you can save valuable time by understanding which types of investments they make. Some investment companies do not make any equity investments while others specialize in this investment.

If you are seeking debt financing, be prepared to discuss whether collateral is available. If you are seeking an equity investment, be prepared to discuss the % ownership position.

[Begin typing your text here and delete blue text when finished]

Use of proceeds (optional)

Be as specific as possible on how the proceeds will be spent. Include a chart or table to describe this if you wish.

[Begin typing your text here and delete blue text when finished]

Exit (optional)

If you are requesting funds to grow your business, your investor will want to understand how you are planning your exit strategy. Most investors want to realize a gain over a medium term horizon. Don't underestimate the time it will take to either take the company public or sell the business. Most investors should be willing to wait for a three year period before their investment can be realized.

[Begin typing your text here and delete blue text when finished]

The first part of a business plan should clearly define the Identification of Market Opportunity. Be prepared to discuss the total dollar volume of the market, the rate that the market is growing and the overall demand for the product or service you are offering.

[Begin typing your text here and delete blue text when finished]

Business History

Give a brief history of the company's business to date, when your product or service was introduced and

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the key milestones
Be sure to keep this
your investor is
about the future, not

[Begin typing your
blue text when

Growth and Objectives

State your growth
objectives as clearly as possible. Then you might want to explain how you plan to keep certain financial
metrics.

[Begin typing your text here and delete blue text when finished]

Legal Structure and Ownership

Describe how the company is legally organized. This is a decision that is best made in the early stages of
the company. The decision to establish your company as a sole proprietorship, a partnership or a
corporation that will issue stock is an important one. You should consult with an attorney and/or
accountant before doing this.

[Begin typing your text here and delete blue text when finished]

Company Location and Facilities

State where the company conducts its business, what real estate the company owns or leases it has for
it's plants and offices. Be sure to address the issues regarding your future space requirements and how
this might determine your need to expand or move.

[Begin typing your text here and delete blue text when finished]

Plans for Financing the Business

Investors prefer to see a defined financing proposal which shows the capital needs of the venture and the
proposed equity or debt agreement. The financing proposal may refer to the Start-Up Costs that are
attached in the appendix if it is a start-up. Be sure to detail the use of the proceeds from the financing.
What collateral or personal guarantees will be offered for an equity or debt investment?

[Begin typing your text here and delete blue text when finished]

Many investors believe that the management team is the most important element of a company's
success. A well executed business plan makes it easier for the investor to meet the people behind the
product. Since this element is a key factor that is scrutinized, it is important to show how the management
team has what it takes to make this venture a success.

[Begin typing your text here and delete blue text when finished]

Team Members

Briefly describe the key management attributes of each member in the senior level management team.
Emphasize the achievements of the key employees and how you expect their skill will give the company a
competitive advantage.

[Begin typing your text here and delete blue text when finished]

Organizational Structure

If you have a graphical representation of the structure, include it here. You can use the WordPerfect
organization chart feature to insert the organization chart. (Click Insert Graphics Draw picture).

[Begin typing your text here and delete blue text when finished]

Other Key Employees

In many companies, there are key individuals who are not senior members of the management team.

Your Company Business Plan

These employees might be the creative spark, the technical developer, or the sales closer for major deals. Address the ways that you plan to keep these employees.

[Begin typing your text here and delete blue text when finished]

Principal Stockholders

If you are seeking an equity investment, this is an important dimension to explain. If you prefer, you can also move this section to another area of the plan. The reason it is under organization is that most new businesses have significant ownership by the owners and employees. Show current ownership and how it will be affected with the financial proceeds of the equity partner. Include a chart that graphically depicts the before and after stock ownership if you are seeking an equity investment.

[Begin typing your text here and delete blue text when finished]

Summary

A clear understanding of the market is an essential prerequisite to writing the marketing plan which follows. Give a brief summary of the overall characteristics of the market, its growth prospects, and your target market.

[Begin typing your text here and delete blue text when finished]

Industry Analysis

In this section, you should answer the following questions:

What is the size of the market?

What percent do you currently have and what percent do you want to capture?

What are the growth prospects for this market? As the market increases, how will this affect your market share?

Longer term, how can you expand your markets? If you are selling worldwide, how will you address international markets?

[Begin typing your text here and delete blue text when finished]

Target Market

Given the total available market, what is the specific market segment that you are addressing with your product or service?

[Begin typing your text here and delete blue text when finished]

Customer Profile

Who is expected to use your product or service. What will they use it for? Why do they buy the product? If you are already selling your products or services, who is currently buying them and why?

[Begin typing your text here and delete blue text when finished]

Major competitors and participants

Discuss the current and expected competitive market. Is the market competitive? If not, why not? Be sure to rate your competitor's market share, their financial strength, and how their product compares with yours. What are the barriers of entry to the market that you wish to serve (i.e. how easy is it to get started in this business?

[Begin typing your text here and delete blue text when finished]

Market Segmentation

What are the demographics of your target customer? If you are selling to individual consumers, what is their age, sex, income level, education, race, occupation, lifestyle, number of children at home. Are they married, single, or retired? Where does the target customer live? Where will the business be located and how does that affect your target segment?

If you are selling to businesses, what kinds of businesses are purchasing your products (SIC codes, etc.),

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what is their sales volume, and how many employees do they have?

[Begin typing your text here and delete blue text when finished]

Projected Market Growth and Market Share Objectives

Briefly comment on the social, geographic, and demographic trends that support your conclusions for the market forecasts. Support your market forecasts with reports on your industry and other available public or private economic data.

If you are projecting your sales forecasts using the market size and market share method, feel free to reference your projections with the data from your Quattro Pro workbook (assuming you have created worksheets).

[Begin typing your text here and delete blue text when finished]

Product/Service Summary

Precisely describe the product or service. There shouldn't be any doubts left in the readers mind as to what you produce or the service you offer. The product description should be brief and succinct – many marketing consultants insist that you be able to describe a product and its benefits in 20 seconds or less. If you are having problems briefly describing your product and its benefits, you may need to work on this until you capture its essence. If you have more than one product, describe each individually.

[Begin typing your text here and delete blue text when finished]

Product/Service Uniqueness

Most new businesses are established to sell products and/or services that are already available. Describe the unique features of your product or service. What makes your product different and why will customers purchase your product or service? Your product may be a commodity, but it can be differentiated by the way it is delivered, priced or packaged. In order to succeed, you must provide your prospective customers a clear reason to buy your product or service over that of your competitors. Being different from your competitor is important – but this difference must provide a tangible benefit to the buyer.

If you have a proprietary advantage, clearly state it. Is there a quantifiable benefit that can be associated with your product? How long does it take the product to pay for itself?

[Begin typing your text here and delete blue text when finished]

Product/Service Descriptions

Briefly describe the product features of benefits of each of your products or services. Answer the following questions:

What is it that you are selling? Marketing consultants don't sell advice - they are selling a way for companies to transform themselves into market and profit leaders.

What are the product benefits?

[Begin typing your text here and delete blue text when finished]

Competitive Comparisons

Briefly describe the primary competitive products for each of your product/service offerings. Include a competitive grid - like the one below:

	Competitor 1	Competitor 2	Competitor 3
Product Quality			
Price			
Image			
Target User			
Distribution			
Warranty			

	Competitor 1	Competitor 2	Competitor 3
Promotions			

Research and Development

What research has been conducted to date and how much will be needed in the future? Does the business require substantial R&D to be successful? How do your competitors rate in this area?

[Begin typing your text here and delete blue text when finished]

Patents and Trademarks

Are there any patents or trademarks issued for the company's products? Does the company have full assignment of the all the patent rights? Have you entered into any licensing agreements with other companies to use it? If you are licensing technology or patents from someone else, be sure to detail the agreement.

[Begin typing your text here and delete blue text when finished]

Current Plant Production and Capacity

If the product(s) is currently being produced, describe the facility and current plant capacity. Describe how you plan to add production and plant capacity to meet your projected growth plan.

How do your production facilities and production processes compare with your competitors?

[Begin typing your text here and delete blue text when finished]

Production Issues

Describe how the product is manufactured. If possible, provide a simple step by step production process in a list or flowchart form. Investors will want to know if there are significant risks to smoothly and cheaply producing your product. Are you adding significant value to the manufacturing process or simply assembling parts produced by others? Provide a rationale for producing the product yourself as opposed to subcontracting the process.

Describe your relationships with your manufacturing subcontractors and parts suppliers and note any potential supply problems.

[Begin typing your text here and delete blue text when finished]

Quality Control

Briefly describe your quality control procedures and the expertise of your manufacturing personnel in this area. Does your company ascribe to a particular standard?

[Begin typing your text here and delete blue text when finished]

Labor Force

What is the percentage of labor content in each product produced? How do you plan to hire and maintain a loyal workforce? Are skilled personnel available in your area at competitive labor rates?

[Begin typing your text here and delete blue text when finished]

Creating and Maintaining Customers

Attracting and maintaining customers is the key goal of any business. The best way to craft a winning marketing strategy is to view your product or service through your customers eyes. What is the image the customer perceives when they think of your product or service? It is important to create an integrated approach to your pricing, promotion and distribution plans.

The best way to understand your product and or service through your customers' eyes is to stay in very close contact with your current and prospective customers. Your investors will want to know what your customers say about your product offering.

[Begin typing your text here and delete blue text when finished]

Product Pricing Strategy

Product pricing is a major consideration in your plan since it has a significant impact on your profitability objectives. Pricing says a lot about the target market that you have selected and how you want to position the quality of your products. What are the objectives of your pricing? Do you want to increase market share or maximize profits. Are your prices based on cost plus markup? Are your prices determined by competitive comparisons – if they are, and you are higher or lower than your competitor, do you believe that the product or service is price sensitive?

Is there seasonality in your business which requires pricing variation? Do you plan to offer product promotions which will affect your average sales price?

[Begin typing your text here and delete blue text when finished]

Product Positioning

How you position your product or service is key to your success. It is necessary to analyze your product versus the competition. There are a number of ways that you can position your product:

By product difference.

Find the benefit of your product or service that is the most important to your target market.

By highlighting the users of your product.

By positioning your product against a competitor.

There are several more ways to position your product. Find the one that you works best for your company and product.

[Begin typing your text here and delete blue text when finished]

Sales and Distribution Plan

If you have a retail store, this is pretty straightforward - the customers come to your place of business. In this case, the physical location of your business is very important.

If you have a service business, your physical location is less important, but there are many factors to consider in selecting your location and these should be tied in with your overall target market and objectives.

If you are selling your own product, you need to decide how to get your product to the ultimate consumer. Discuss your choice for a direct sales force, direct marketing, telemarketing, sales agents and distributors in this section. Do you plan to use the Internet to promote your product and or services?

[Begin typing your text here and delete blue text when finished]

Promotional Strategy

Any promotional strategy must answer the following questions:

1. who do you want to target your message to?
2. what message do you want to communicate to your prospective customers?
3. when do you want to place your message?
4. where do you want to place your message?

Given the fact that you have defined a target market and the sales method to reach that market, you can now assemble a promotional plan to back up your distribution strategy. There are many ways to promote your business. These include advertising, exhibiting at trade shows, public relations, direct mail, sales promotion and even your own personal selling. If you own a retail store, the store's windows become a promotional vehicle.

Ensure that your promotional plan meshes with your overall product positioning and what makes your product different from the competition

[Begin typing your text here and delete blue text when finished]

24-Month Sales Forecasts

Describe these numbers. Refer the reader to the appendix if you have included a worksheet.

[Begin typing your text here and delete blue text when finished]

5-Year Sales Forecasts

Describe these numbers. Refer the reader to the appendix if you have included a worksheet.

[Begin typing your text here and delete blue text when finished]

Estimated Start-Up Capital

Describe these numbers. Refer the reader to the appendix if you have included a worksheet.

[Begin typing your text here and delete blue text when finished]

Start-Up Capitalization

Describe these numbers. Refer the reader to the appendix if you have included a worksheet.

[Begin typing your text here and delete blue text when finished]

Break-Even Analysis

Describe these numbers. Refer the reader to the appendix if you have included a worksheet.

[Begin typing your text here and delete blue text when finished]

24-Month Income Statements

Describe these numbers. Refer the reader to the appendix if you have included a worksheet.

[Begin typing your text here and delete blue text when finished]

5-Year Income Statements

Describe these numbers. Refer the reader to the appendix if you have included a worksheet.

[Begin typing your text here and delete blue text when finished]

24-Month Cash Budgets

Describe these numbers. Refer the reader to the appendix if you have included a worksheet.

[Begin typing your text here and delete blue text when finished]

5-Year Cash Budgets

Describe these numbers. Refer the reader to the appendix if you have included a worksheet.

[Begin typing your text here and delete blue text when finished]

5-Year Balance Sheets

Describe these numbers. Refer the reader to the appendix if you have included a worksheet.

[Begin typing your text here and delete blue text when finished]

Financial Ratios

Describe these numbers. Refer the reader to the appendix if you have included a worksheet.

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We have included all of the spreadsheets. However, you may wish to include fewer of the spreadsheets, depending upon your situation.

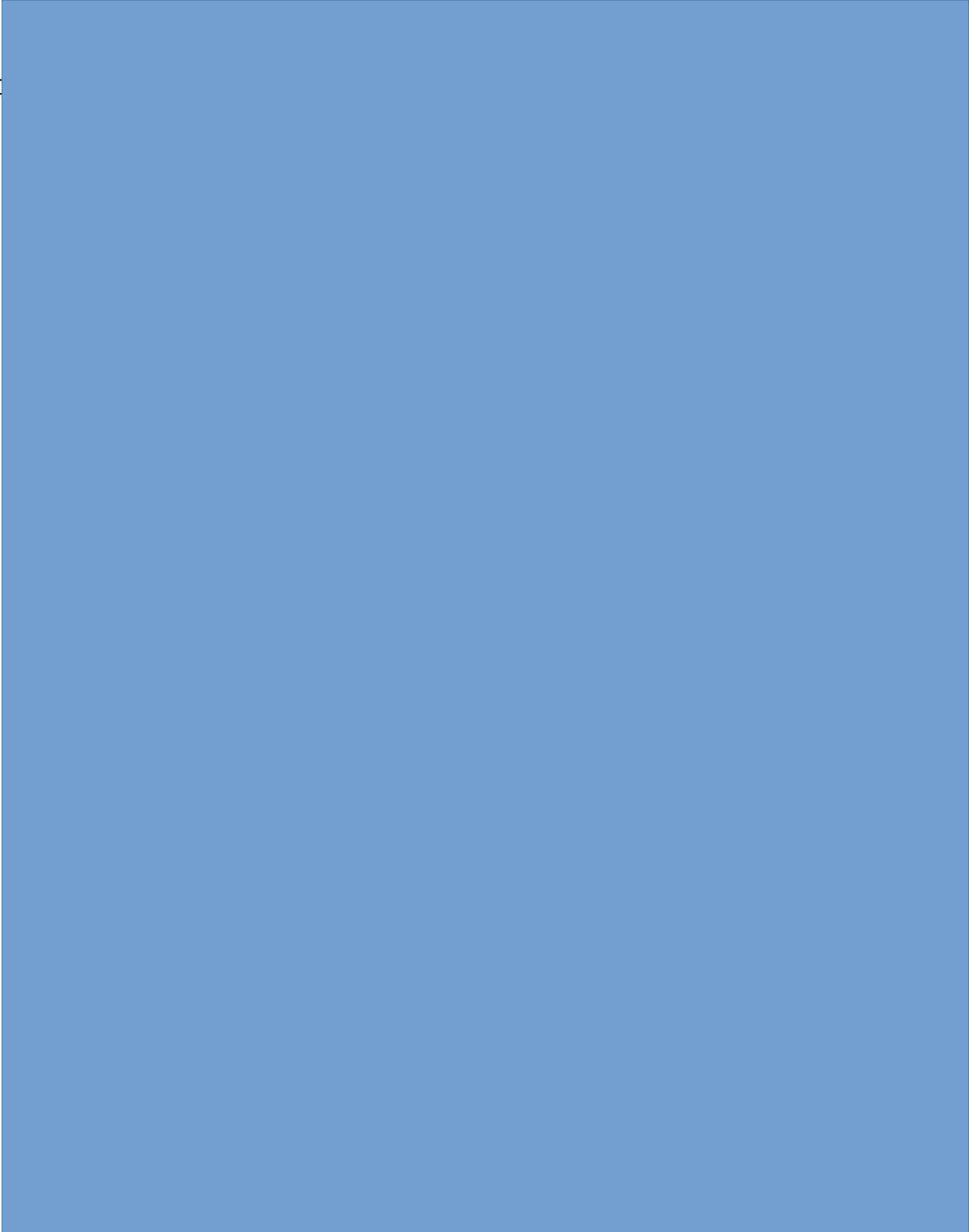
24-Month Sales Forecasts

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5-Year Sales Forecasts

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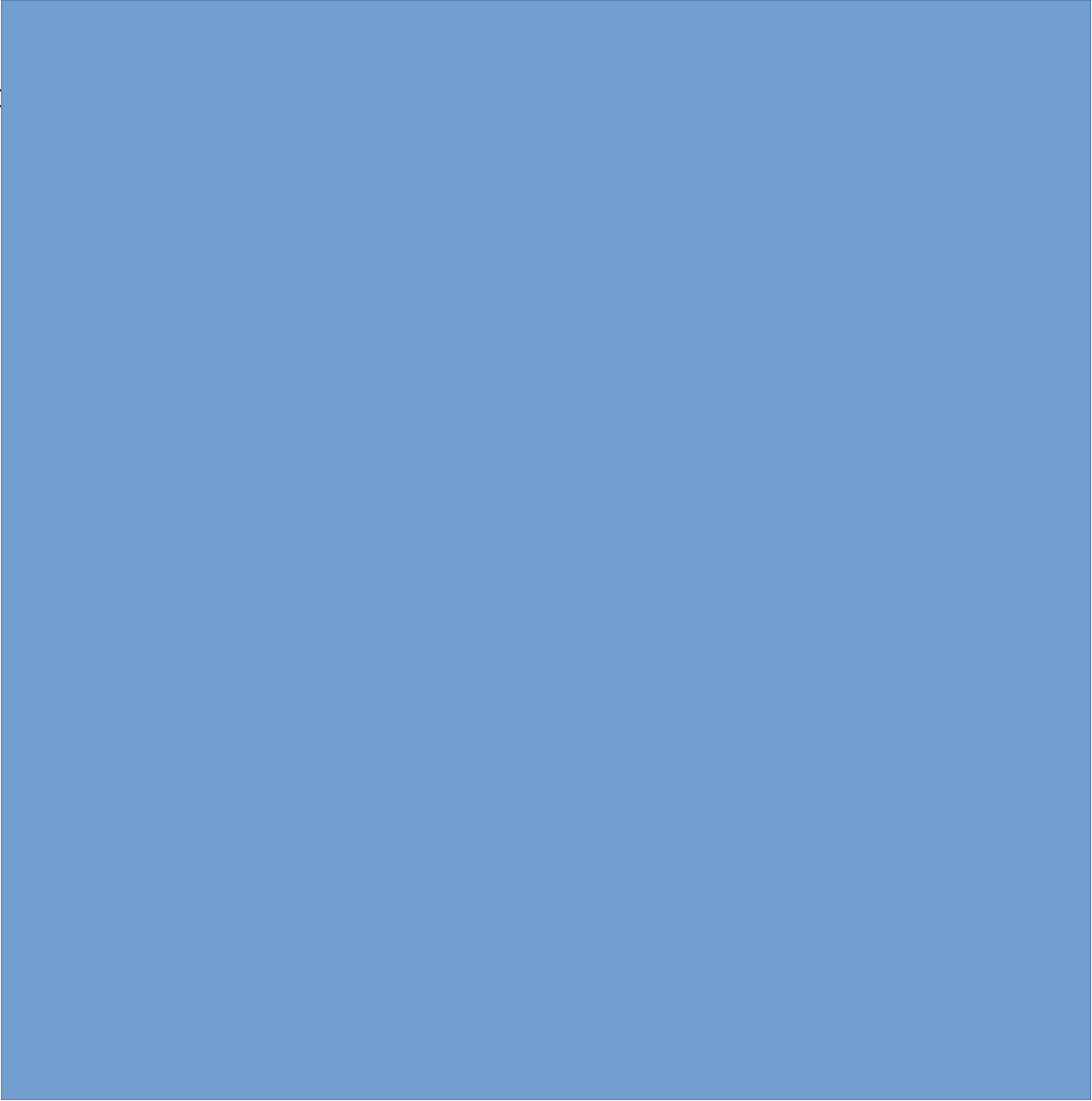
Estimated Start-Up Capital

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Start-Up Capitalization

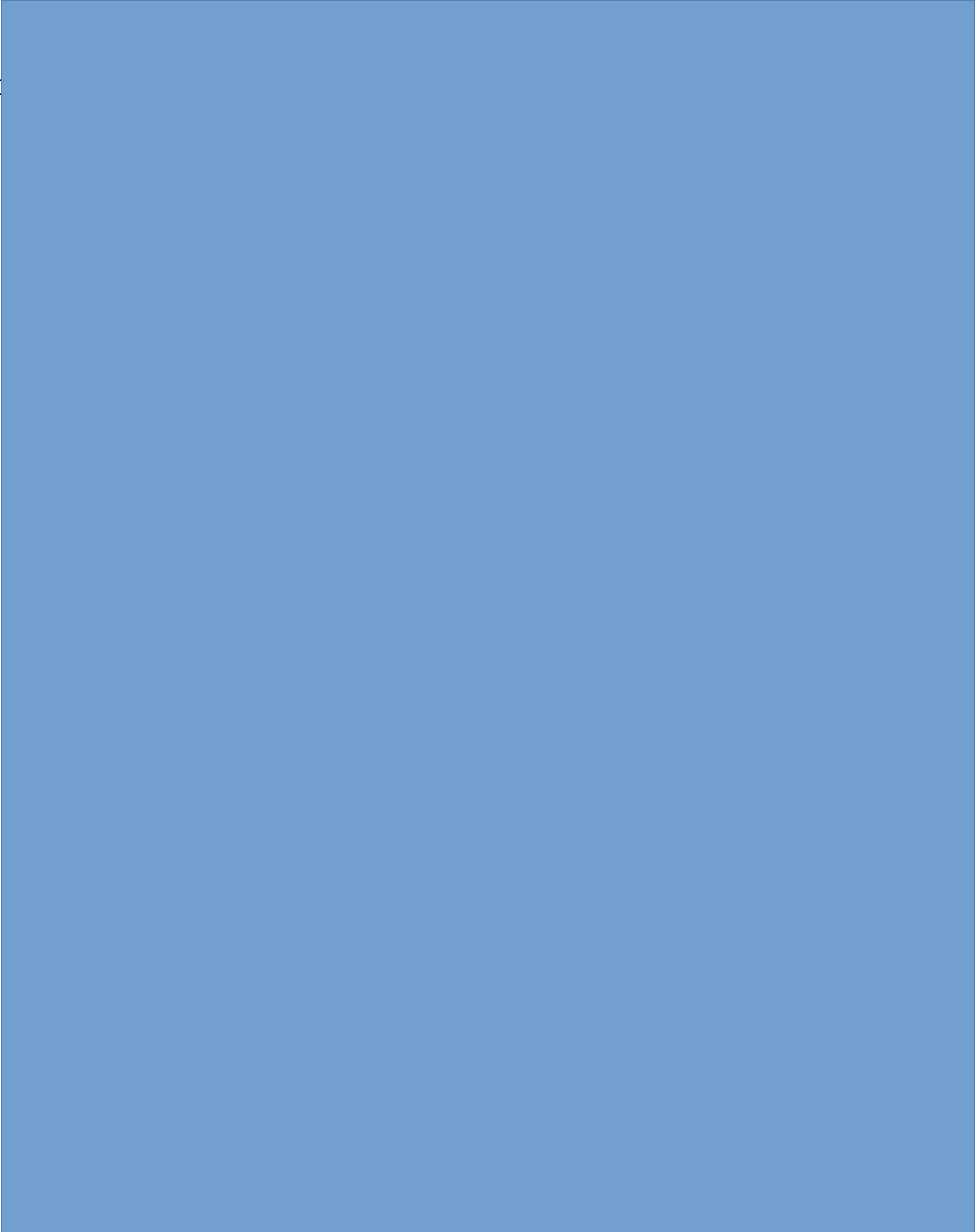
Break-Even Analysis

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24-Month Income Statements

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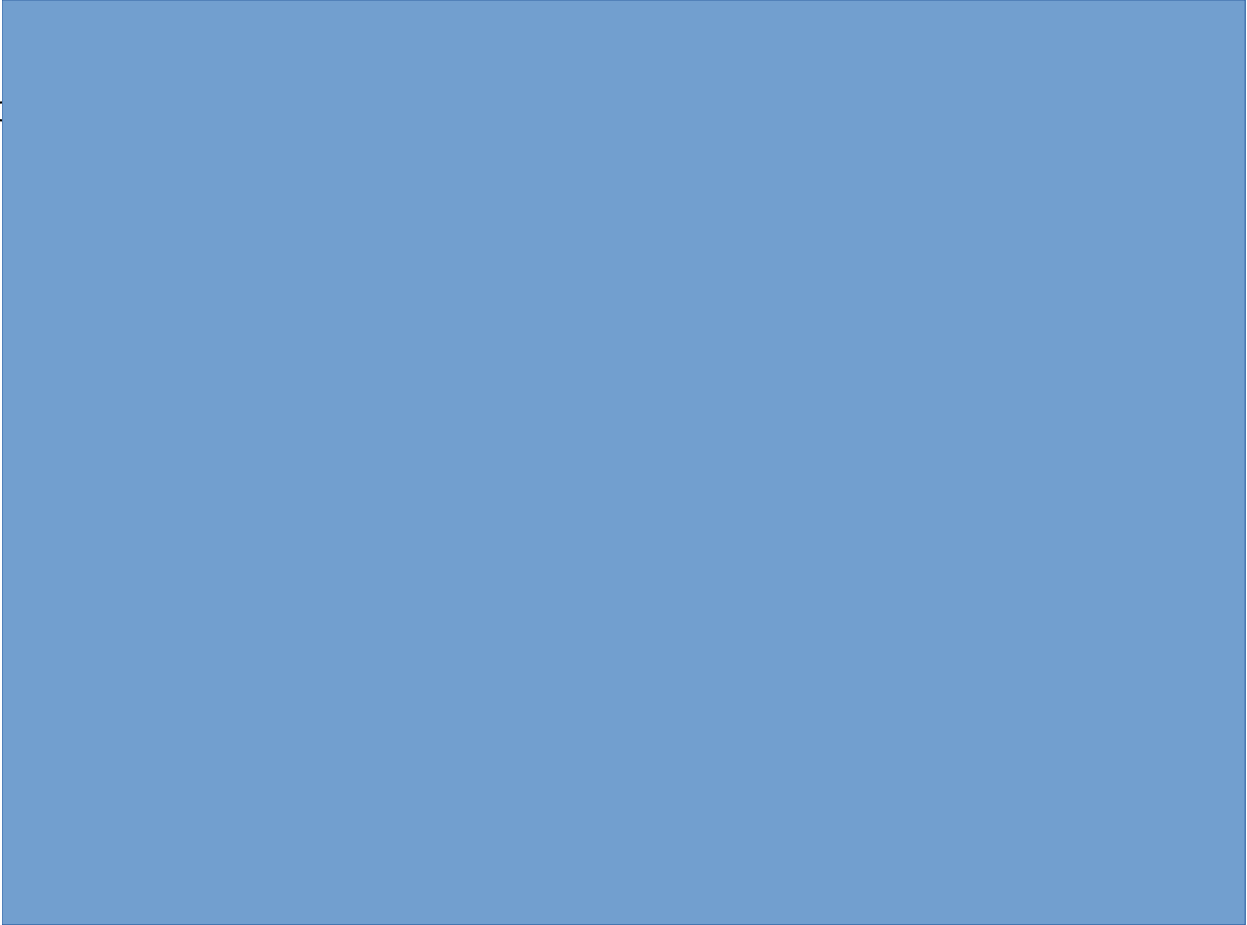
5-Year Income Statements

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24-Month Cash Budgets

Your C



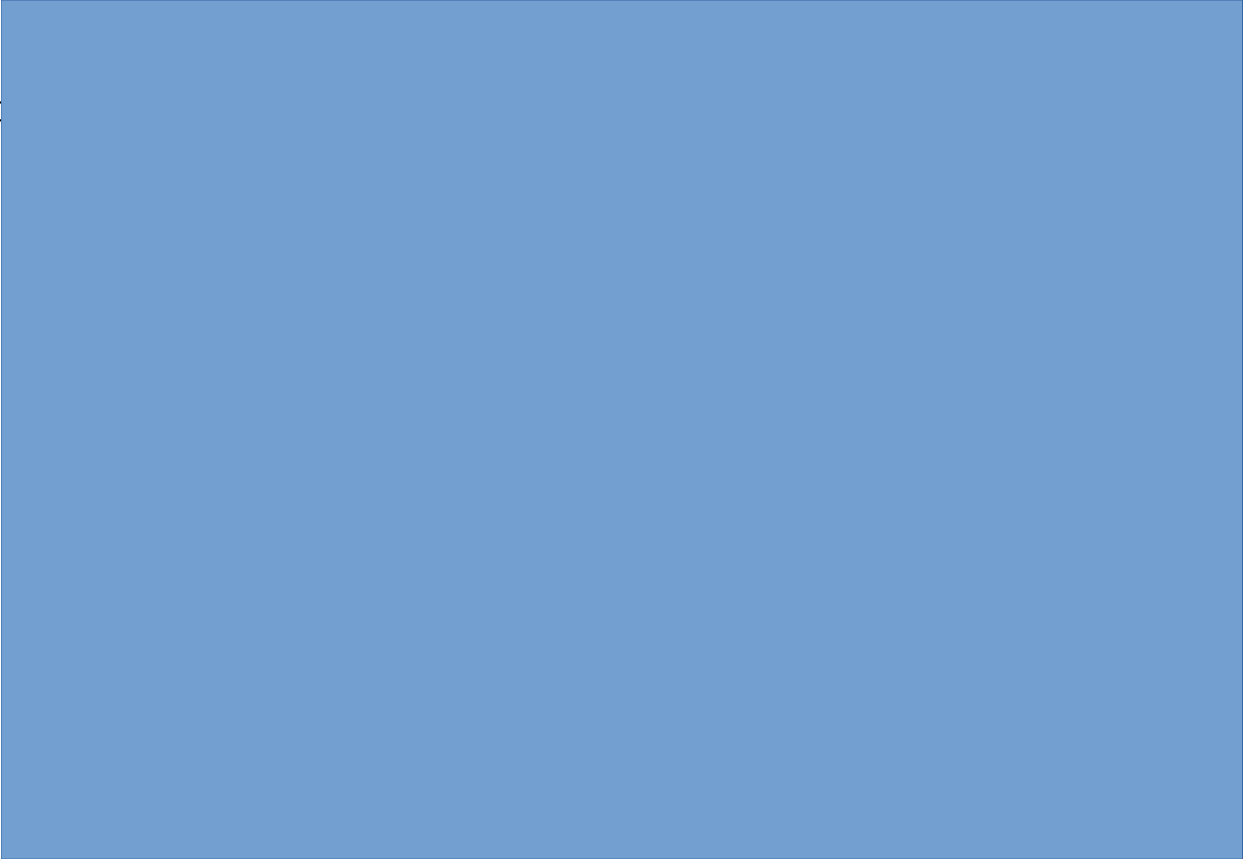
5-Year Cash Budgets

Your C



5-Year Balance Sheets

Your C



Financial Ratios