

[Type the company name]

[Year] Business Plan

[Type the document subtitle]



NOTE: This business plan guide is one of many templates available to help nascent and existing business owners manage the growth of their business. The University of La Verne Small Business Development Center is partially funded by the U.S. Small Business Administration and is part of the Los Angeles Regional SBDC Network which offers free one-on-one consulting and low-cost trainings to assist small businesses and entrepreneurs.

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[Pick the date]

[Contact Information]

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Executive Summary

Summary of all the key points of your business plan – Do this section last. This section shouldn't be more than 1-2 pages.

Briefly state what your business does (retail, service, manufacturing, marketing, other), your objectives or goals and your competitive advantage.

Your summary should thoroughly answer these questions.

- Who is/are the owner(s)?
- What legal form of organization will your business take? (sole proprietorship, partnership, limited liability company, corporation)
- What is your experience in this business, or if you have no experience in this business, who will supply you with the necessary expertise to operate it?
- Who will your customers be? What market do you intend to service, the market size, and your expected share of the market.
- Why can you service the market better than your competition?
- Why have you chosen your particular location?
- What management and other personnel are required and available for the operation?
- If you will be doing contract work, what are the terms? Reference any firm contract and include it as a supporting document.
- If you have letters of intent from prospective suppliers or purchasers, also include copies of those letters as supporting documents.
- How much funding will you need?*
- How much of your own cash will you be putting into the business, representing an equity investment of what % of funds required to start?*
- Do you have real estate to use as collateral? (If so, list it on your personal financial statement.)

In the final paragraph, state why the business will be successful, using as many reasons as possible. Examples: location, niche, competitive advantage, years of industry experience, education, existing customer base, existing successful company with positive cash flow, proven marketing plan, complimentary skills of owners, etc.*

Business Description

Provide an overview about your business idea/concept/ service/ etc. through the sections below.

Value Proposition

What makes your business idea/concept/ service/ etc novel (i.e. makes it better than anything else). This should not be price, as you will have difficulties defending this.

Business Objectives

Setting your goals, such as market share, sales and profit will determine your business objectives. Make sure all objectives are concrete and measurable. Avoid using vague objectives like “being the best” or “growing rapidly.” Set at least three objectives for your business.

Type your text here:

- Identify an objective
- Identify an objective
- Identify an objective

Company

The following section should describe the details of the company. How did the business or idea start?

- **Mission Statement:** A mission statement expresses the higher goals of your company such as providing services to unique industries, spreading new technologies or improving education. If your company has a mission, state it simply in one or two sentences. What does the company do and how does it affect customers?
- **Company Ownership:** Describe the ownership of your company. Is it a partnership, sole proprietorship, LLC, or corporation? Is it publicly traded or privately owned? What % does each owner own?
- **Company History:** Existing companies give brief history of operations. Startup companies summarize the idea of the business
- **Company Location and Facilities:** Give the address and justify why the location is perfect for the business. Include surrounding places and/or highways that will encourage growth. If applicable, give a description of the inside of the facility and its relevance to the business.

Produce / Service

What type of product or service do you plan to sell? Describe each product or service in detail. How does the product or service compare to the competition? The more complex the industry, the more specific the description should be. List your product(s)/service(s) individually and describe how they benefit your customers.

- Product/Service 1:
- Product/Service 2:
- Product/Service 3:

Market Analysis

Industry Trends

What does the industry look like? Are there trends? What do your customers buy, eat, look like, education, income etc. How much do they spend on your product or service on an annual basis? The more detail you have the better your chances of success.

Target Market & Segmentation



SEGMENT	DEFINITION	NEEDS	MEANS OF SERVING	MEANS OF ACQUIRING
Segment Name #1		1. 2. 3.	1. 2. 3.	1. 2. 3.
Segment Name #2		1. 2. 3.	1. 2. 3.	1. 2. 3.
Segment Name #3		1. 2. 3.	1. 2. 3.	1. 2. 3.

Competition

Who are your competitors? What market share do they have? Even if there are no “direct” competitors, there will ALWAYS be some that are close. Think “What are the alternatives to using my product or services?” and those are your competitors. List your five nearest

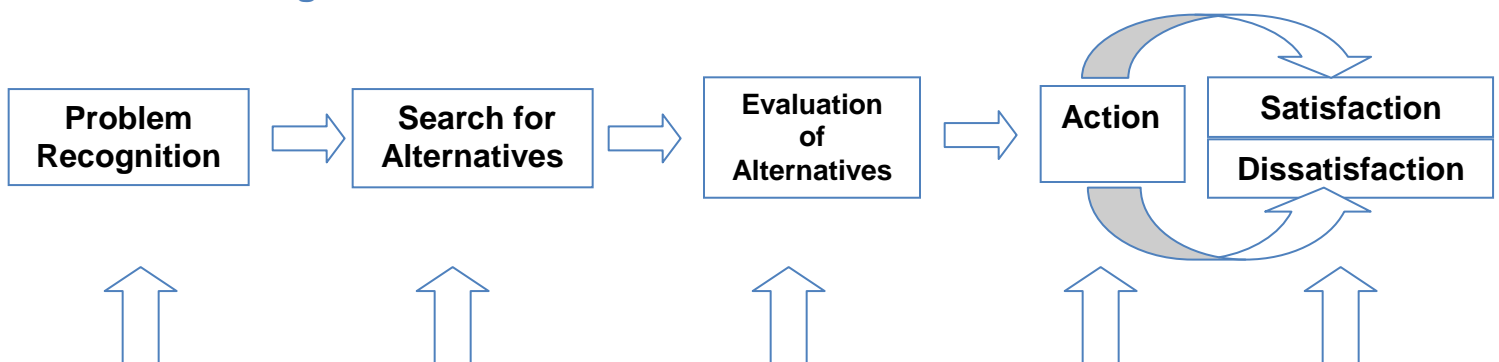
competitors. Is their business steady, increasing or decreasing? Why? How are their operations similar or different to your operations? What are their strengths and weaknesses? What have you learned from watching their operations? How will your operations be better (or different) than that of your competitors?

CRITERIA	YOUR COMPANY	COMPETITOR #1	COMPETITOR #2	COMPETITOR #3	COMPETITOR #4
Quality	√	√			√
Reputation	√		√	√	
Customer Service	√	√		√	

Marketing Strategy

How will you get your product / service in front of your target market at each stage of their decision making? Think of non-conventional (viral marketing) methods that are cheaper than traditional (TV, radio, print) and have a higher impact.

Decision Making Model:



Influencing Factors

<ul style="list-style-type: none"> • Depleted Inventory • Advertising • Promotions • Store Display • Etc. 	<ul style="list-style-type: none"> • Word of Mouth • Website • Blog • Social Media • E-newsletter • Partner organizations • Past Experiences • Brochures • Catalogs • Etc. 	<ul style="list-style-type: none"> • Cost • Location • Staff expertise • Day / Time • Reputation • Etc. 	<ul style="list-style-type: none"> • Location • Skill of salesperson • Availability of credit • Etc. 	<ul style="list-style-type: none"> • Follow up • Customer-service • Trust • Confidentiality • Transparency • Speed of Repairs • Product Durability • Etc.
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Barriers to Entry

What will stop you from entering the desired market place? Licenses, permits, patents, startup costs, regulations, monopoly, syndication? Also how will you setup your own barriers to entry for other potential entrants into the marketplace?

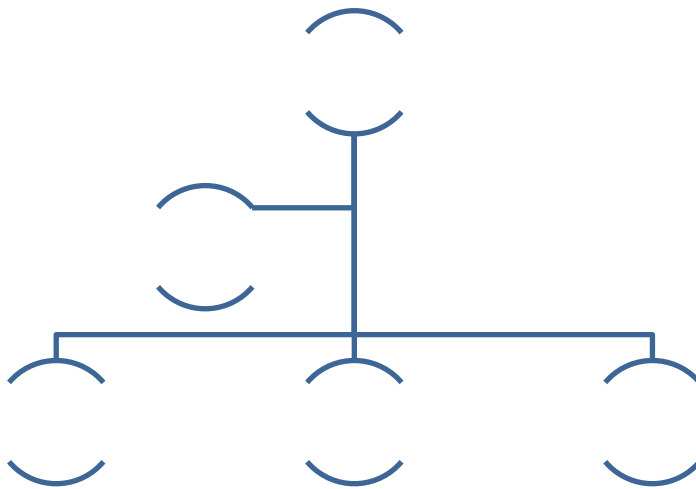
Distribution Channel

How will you get your product / service to the intended market?

Team Summary

Often this can be the most important part of your business plan as investors want to see who else believes in the idea and the experience of your team in the various areas (technical, business, commercialization, etc.) Include biographies of key personnel.

Organizational Chart:



Name, Title

Lorem ipsum dolor sit amet, consectetur adipiscing elit. Cras vitae rutrum ante. Pellentesque habitant morbi tristique senectus et netus et malesuada fames ac turpis egestas. Aliquam sed est tristique, tincidunt quam vitae, volutpat ante. Maecenas sodales dolor interdum lobortis egestas. In nisi urna, mollis id pellentesque sed, dapibus nec quam. Morbi ligula turpis, convallis sit amet

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Name, Title

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SWOT Analysis

Strengths <ul style="list-style-type: none">• This is an example text.• Go ahead and replace it with your own text.• This is an example text.	Weaknesses <ul style="list-style-type: none">• This is an example text.• Go ahead and replace it with your own text.• This is an example text.
Opportunities <ul style="list-style-type: none">• This is an example text.• Go ahead and replace it with your own text.• This is an example text.	Threats <ul style="list-style-type: none">• This is an example text.• Go ahead and replace it with your own text.• This is an example text.

This section deals with the conditions in which your product /service operates. Strengths and weaknesses are internal (team, company, product), whereas opportunities and threats are external (market place, trends, etc.)

Financial Analysis

Insert all the financial aspects about your product or service here and use appendices as appropriate. Cash flow, income statements, balance sheet, as well as start-up income required. This is arguably the most important part of your business plan, spend plenty of time on this and be able to justify any assumptions

Financial Assumptions:

The table below lists the assumptions used to create the financial projections located in the appendix.

Accounts Receivable (A/R) Days Sales Outstanding			
Percent of Collections	Year 1	Year 2	Year 3
Paid within 30 days	30%	30%	30%
Paid between 30 and 60 days	30%	30%	30%
Paid in more than 60 days	40%	40%	40%
Allowance for bad debt	0%	0%	0%
This should equal 100% ---->	100%	100%	100%

Accounts Payable (A/P)			
Percent of Disbursements	Year 1	Year 2	Year 3
Paid within 30 days	0%	0%	0%
Paid between 30 and 60 days	100%	100%	100%
Paid in more than 60 days	0%	0%	0%
This should equal 100% ---->	100%	100%	100%

Line of Credit Assumptions	
Desired Minimum Cash Balance	0
Line of Credit Interest Rate	8.00%

Income Tax Assumptions	
Effective Income Tax Rate - Year 1	20.0%
Effective Income Tax Rate - Year 2	20.0%
Effective Income Tax Rate - Year 3	20.0%

Amortization of Start-Up Costs	
Amortization Period in Years	3

Product Lines	Units	Sales Price Per Unit	COGS Per Unit	Margin Per Unit
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -

Start-Up Costs and Capitalization:

In order to purchase (company name), (client name) requires \$XX,XXX in commercial funding. The table below provides a summary of the proceeds of the loan funds. (List detailed startup/funds usage. This can be done in table format or by chart.)

Fixed Assets	Amount
Real Estate-Land	
Real Estate-Buildings	
Leasehold Improvements	
Equipment	
Furniture and Fixtures	
Vehicles	
Other	
Total Fixed Assets	\$ -

Operating Capital	Amount
Pre-Opening Salaries and Wages	
Prepaid Insurance Premiums	
Inventory	
Legal and Accounting Fees	
Rent Deposits	
Utility Deposits	
Supplies	
Advertising and Promotions	
Licenses	
Other Initial Start-Up Costs	
Working Capital (Cash On Hand)	
Total Operating Capital	\$ -
Total Required Funds	\$ -

Sources of Funding:

Sources of Funding	Percentage	Totals
Owner's Equity	0.00%	
Outside Investors	0.00%	
Additional Loans or Debt		
Commercial Loan	0.00%	
Commercial Mortgage	0.00%	
Credit Card Debt	0.00%	
Vehicle Loans	0.00%	
Other Bank Debt	0.00%	
Total Sources of Funding	0.00%	\$ -
Total Funding Needed		\$ -

Break-even Analysis:

Gross Margin % of Sales		
Gross Margin	\$	-
Total Sales	\$	-
Gross Margin/Total Sales		0.0%
Total Fixed Expenses		
Payroll	\$	-
Operating Expenses	\$	-
Operating + Payroll	\$	-
Breakeven Sales in Dollars (Annual)		
Gross Margin % of Sales		0.0%
Total Fixed Expenses	\$	-
Yearly Breakeven Amount	\$	-
Monthly Breakeven Amount	\$	-

Financial Ratios:

The following table presents (company's) financial ratio calculations based on the projected financial statements in the appendix.

Ratios	Year One	Year Two	Year Three	Industry Norms
Liquidity				
Current Ratio	0.0	0.0	0.0	
Quick Ratio	0.0	0.0	0.0	
Safety				
Debt to Equity Ratio	0.0	0.0	0.0	
Debt-Service Coverage Ratio - DSCR	0.0	0.0	0.0	
Profitability				
Sales Growth	0.0%	0.0%	0.0%	
COGS to Sales	0.0%	0.0%	0.0%	
Gross Profit Margin	0.0%	0.0%	0.0%	
SG&A to Sales	0.0%	0.0%	0.0%	
Net Profit Margin	0.0%	0.0%	0.0%	
Return on Equity (ROE)	0.0%	0.0%	0.0%	
Return on Assets	0.0%	0.0%	0.0%	
Owner's Compensation to Sales	0.0%	0.0%	0.0%	
Efficiency				
Days in Receivables	0.0	0.0	0.0	
Accounts Receivable Turnover	0.0	0.0	0.0	
Days in Inventory	0.0	0.0	0.0	
Inventory Turnover	0.0	0.0	0.0	
Sales to Total Assets	0.0	0.0	0.0	

Balance Sheet:

ASSETS	First Year	Second Year	Third Year
Current Assets			
Cash	-	-	-
Accounts Receivable	-	-	-
Inventory	-	-	-
Prepaid Expenses	-	-	-
Other Initial Costs	-	-	-
Total Current Assets	\$ -	\$ -	\$ -
Fixed Assets			
Real Estate -- Land	-	-	-
Real Estate -- Buildings	-	-	-
Leasehold Improvements	-	-	-
Equipment	-	-	-
Furniture and Fixtures	-	-	-
Vehicles	-	-	-
Other	-	-	-
Total Fixed Assets	\$ -	\$ -	\$ -
(Less Accumulated Depreciation)	\$ -	\$ -	\$ -
Total Assets	\$ -	\$ -	\$ -
LIABILITIES & EQUITY			
Liabilities			
Accounts Payable	-	-	-
Commercial Loan Balance	-	-	-
Commercial Mortgage Balance	-	-	-
Credit Card Debt Balance	-	-	-
Vehicle Loans Balance	-	-	-
Other Bank Debt Balance	-	-	-
Line of Credit Balance	-	-	-
Total Liabilities	\$ -	\$ -	\$ -
Equity			
Common Stock	-	-	-
Retained Earnings	-	-	-
Dividends Dispersed/Owners Draw	-	-	-
Total Equity	\$ -	\$ -	\$ -
Total Liabilities and Equity	\$ -	\$ -	\$ -
Balance sheet in or out of balance?	\$ -	\$ -	\$ -
	Balanced!	Balanced!	Balanced!

Income Statement:

Revenue	First Year	Second Year	Third Year
Product 1	-	-	-
Product 2	-	-	-
Product 3	-	-	-
Product 4	-	-	-
Product 5	-	-	-
Product 6	-	-	-
Total Revenue	\$ -	\$ -	\$ -
Cost of Goods Sold			
Product 1	-	-	-
Product 2	-	-	-
Product 3	-	-	-
Product 4	-	-	-
Product 5	-	-	-
Product 6	-	-	-
Total Cost of Goods Sold	-	-	-
Gross Margin	-	-	-
Payroll	-	-	-
Operating Expenses			
Advertising	-	-	-
Car and Truck Expenses	-	-	-
Commissions and Fees	-	-	-
Contract Labor (Not included in payroll)	-	-	-
Insurance (other than health)	-	-	-
Legal and Professional Services	-	-	-
Licenses	-	-	-
Office Expense	-	-	-
Rent or Lease -- Vehicles, Machinery, Equipment	-	-	-
Rent or Lease -- Other Business Property	-	-	-
Repairs and Maintenance	-	-	-
Supplies	-	-	-
Travel, Meals and Entertainment	-	-	-
Utilities	-	-	-
Miscellaneous	-	-	-
Other Expense 1	-	-	-
Other Expense 2	-	-	-
Total Operating Expenses	\$ -	\$ -	\$ -
Income (Before Other Expenses)	\$ -	\$ -	\$ -
Other Expenses			
Amortized Start-up Expenses	-	-	-
Depreciation	-	-	-
Interest	-	-	-
Commercial Loan	-	-	-
Commercial Mortgage	-	-	-
Credit Card Debt	-	-	-
Vehicle Loans	-	-	-
Other Bank Debt	-	-	-
Line of Credit	-	-	-
Bad Debt Expense	-	-	-
Total Other Expenses	\$ -	\$ -	\$ -
Net Income Before Income Tax	\$ -	\$ -	\$ -
Income Tax	\$ -	\$ -	\$ -
Net Income/Loss	\$ -	\$ -	\$ -

Cash Flow:

	Year 1 Totals	Year 2 Totals	Year 3 Totals
Beginning Balance			
Cash Inflows			
Cash Sales	\$ -	\$ -	\$ -
Accounts Receivable	\$ -	\$ -	\$ -
Total Cash Inflows	\$ -	\$ -	\$ -
Cash Outflows			
Investing Activities			
New Fixed Asset Purchases	\$ -	\$ -	\$ -
Additional Inventory	\$ -	\$ -	\$ -
Cost of Goods Sold	\$ -	\$ -	\$ -
Operating Activities			
Operating Expenses	\$ -	\$ -	\$ -
Payroll	\$ -	\$ -	\$ -
Taxes	\$ -		\$ -
Financing Activities			
Loan Payments	\$ -	\$ -	\$ -
Owners Distribution	\$ -	\$ -	\$ -
Line of Credit Interest	\$ -	\$ -	\$ -
Line of Credit Repayments	\$ -	\$ -	\$ -
Dividends Paid	\$ -	\$ -	\$ -
Total Cash Outflows	\$ -	\$ -	\$ -
Net Cash Flows	\$ -	\$ -	\$ -
Operating Cash Balance			
Line of Credit Drawdown	\$ -	\$ -	\$ -
Ending Cash Balance			
Line of Credit Balance			

Critical Success Factors

What needs to be achieved that will enhance chances of success? Also insert the possibility of these things happening. Use Gantt charts to illustrate milestones and their order of precedence.

Milestones		Project Period												
		M1	M2	M3	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
Objective 1		█	█											
		█	█											
				█										
Objective 2		█	█	█	█	█	█	█	█	█	█	█	█	█
		█			█			█			█			
		█	█	█	█	█	█	█	█	█	█	█	█	█
		█								█				
Objective 3										█	█			
										█	█			
										█	█	█	█	█

Exit Strategies

How will you (or any investors) exit out of this project (if you want to) and make excellent return or to move onto your next “big idea”?

Future Developments

What are the future plans for your product / service (if any)?

Final Checklist

After you have completed your business plan, look it over carefully for any mistakes and weaknesses. One very important part of the business plan often overlooked is the overall consistency of the plan. Some questions that you should ask yourself about the plan are:

- Do the financial projections match throughout the entire business plan?
- Are the timelines and dates correct? (This is particularly important for revised business plans.)
- Are the assumptions substantiated and can you justify your conclusion if asked?
- Have you considered an exit plan, disaster plan or backup plan? What about potential stumbling blocks?
- Do you fully understand all of the financial and proprietary information if an outside source was used to prepare the business plan?

- Are you ready to personally guarantee any loans in the name of the business?
Unwillingness to guarantee raises a red flag to a lender. If a business owner will not stand behind their business why should the financial institution do it?
- Can you put a minimum of 20% to 30% equity in the business? The bank will expect you to have a stake in the business.
- Are your projections for income and profit feasible?
- Do you have a cover sheet that tells who you are and all your contact information?

Appendices

Include any additional information here that may not fit into the sections above (quotes, recommendations, statistics, etc.)

12-Month Cash Flow:

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Totals
Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Cash Inflows													
Cash Sales	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Total Cash Inflows	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash Outflows													
Investing Activities													
New Fixed Asset Purchases	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Additional Inventory													\$ -
Cost of Goods Sold	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Operating Activities													
Operating Expenses	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Payroll	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Financing Activities													
Loan Payments	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Owners Distribution													\$ -
Line of Credit Interest													\$ -
Line of Credit Repayments													\$ -
Dividends Paid													\$ -
Total Cash Outflows	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Cash Flows	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Cash Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Line of Credit Drawdown	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Cash Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Line of Credit Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

12-Month Revenue Projections:

Product Lines	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Annual Totals
Product 1													
Units Sold													0
Total Sales	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Total COGS	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Total Margin	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Product 2													
Units Sold													0
Total Sales	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Total COGS	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Margin	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Product 3													
Units Sold													0
Total Sales	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Total COGS	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Margin	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Product 4													
Units Sold													0
Total Sales	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Total COGS	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Margin	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Product 5													
Units Sold													0
Total Sales	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Total COGS	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Margin	-	-	-	-	-	-	-	-	-	-	-	-	\$ -

Product 6														
Units Sold														0
Total Sales	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Total COGS	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Margin	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Total Units Sold	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Cost of Goods Sold	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Margin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -