Company Name

Business Plan

Address of Company

Table of Contents

I. Executive Summary
Objectives
Mission Statement
Keys to Success

II. Description of Business
Regulatory Requirements
Company Ownership/Legal Entity
Management Profiles
Jobs Created
Products and Services
Location and Hours of Operation

III. Financial Performance to Date
Company
Acquisition Target

IV. Funding Request
Budget
Project - Real Estate Construction or Product Development

V. Marketing
Market Analysis
Competition
Advertising and Promotion

VI. Forecasted Financial Results

VII. Future Expansion Plans

VIII. Addendum

Executive Summary (Do Last)

The executive summary is the most important section of your business plan. It provides a concise overview of the entire plan along with a history of your company. This section tells your reader the current position of your company and where you want to take it. It's the first thing your readers see; therefore it is the thing that will either grab their interest and make them want to keep reading or make them want to put it down and forget about it. More than anything else, this section is important because it tells the reader why you think your business idea will be successful.

The executive summary should be the last section you write. After you've worked out all the details of your plan, you'll be in a better position to summarize it - and it should be a summary (i.e., no more than 4 pages per the SBA, but from a banker's perspective no more than 2 pages – be succinct yet powerful).

Contents of the Executive Summary

- The Mission Statement
- Date business began or length of time in business
- Names of founders and the functions they perform
- Number of employees
- Location of business and any branches or subsidiaries
- Description of plant or facilities
- Products manufactured/services rendered
- Banking relationships and information regarding current investors
- Summary of company growth including financial or market highlights (e.g. your company doubled its worth in 12-month period; you became the first company in your industry to provide a certain service)
- Summary of management's future plans - With the exception of the mission statement, all of the information in the Executive Summary should be highlighted in a brief, even bulleted, fashion. Remember, these facts are laid out in-depth further along in the plan.

  Example – John Smith and Paul Jones established Everything Green four years ago with the vision of providing solar energy to power homes and businesses in Central Florida. Currently located in Volusia County, the business has been successful in reaching its initial core objective for the surrounding counties on the east coast and now prepares to expand its reach for reducing carbon footprints to the west coast.

If you're just starting a business, you won't have a lot of information to plug into the areas mentioned above. Instead, focus on your experience and background as well as the decisions that led you to start this particular enterprise. Include information about the problems your target market has and what solutions you provide. Show how the expertise you have will allow you to make significant inroads into the market. Tell your reader what you're going to do differently or better. Convince the reader that there is a need for your service or product, then go ahead and address your (the company's) future plans.

To assist the reader in locating specific sections in your business plan, include a table of contents. Make sure that the content titles are very broad; in other words, avoid detailed descriptions in your table of contents.

Objectives

Simply put, what is the objective of this business plan beyond stating the current record of the company and its future plans if it is an existing business or to state why it wants to start operations if a start-up.

Example – The company is currently seeking financing for a second warehouse location in the amount of $300,000 and an additional working capital loan of $200,000 to expand its current operations. The working capital loan will fund the necessary staffing and inventory needs to grow the business while maintaining its existing line of credit.

Mission Statement

The mission statement briefly explains the thrust of your business. It could be two words, two sentences, a paragraph, or even a single image. It should be as direct and focused as possible, and it should leave the reader with a clear picture of what your business is all about.

Everything Green continues to strive to reduce the carbon footprint in Central Florida by installing solar panels in existing residential and commercial businesses as well as through its alliances with new construction builders. The company has installed xxx panels in yyyy businesses and homes since it began operations saving Central Floridians $$$$$ in energy bills.

Keys to Success

This section highlights all the remaining sections of the business plan and focuses the reader's attention to the strengths of the business operation in terms of management, market, product and service differentiation, strategic alliances, financial performance, and capital structure.

If you have done a SWOT analysis (template included at the end), then you will create bullet points to emphasize key strengths and opportunities as well mitigating factors for how the company can and will deal with weaknesses and threats.

Description of Business

Without going into extensive detail, this section should include a high level look at how all of the different elements of your business fit together. The company description section should include information about the nature of your business as well as list the primary factors that you believe will make your business a success, this should tie into the succinct bullet points in the executive summary section.

When defining the nature of your business (or why you're in business), be sure to list the marketplace needs that you are trying to satisfy; include the ways in which you plan to satisfy these needs using your products or services. Finally, list the specific individuals and/or organizations that you have identified as having these needs again if these needs are not otherwise being met and ensure it ties to the executive summary.

Primary success factors might include a superior ability to satisfy your customers' needs, highly efficient methods of delivering your product or service, outstanding personnel, or a key location. Each of these would give your business a competitive advantage.

Regulatory Compliance

If applicable, include a discussion of any and all government regulations that apply to your company's current and anticipated operations, including any results of recent audits for compliance. If new licenses

are required, detail the cost and timeline involved in the process as well as the funding source for same. Explain the benefit for adding and the anticipated timeline for getting a return on this investment.

Company Ownership/Legal Entity

This section should include: your company's organizational structure, details about the ownership of your company, profiles of your management team, and the qualifications of your advisors if you have them. If you have a complex ownership structure with a parent company and multiple subsidiaries state how each entity inter-relates and if there is separate reporting by each entity that will be discussed.

Who does what in your business? What is their background and why are you bringing them into the business as board members or employees? What are they responsible for? These may seem like unnecessary questions to answer in a one- or two-person organization, but the people reading your business plan want to know who's in charge, so tell them. Give a detailed description of each division or department and its function.

This section should also include the legal structure of your business along with the subsequent ownership information it relates to. Have you incorporated your business? If so, is it a C or S corporation? Or perhaps you have formed a partnership with someone. If so, is it a general or limited partnership? Or maybe you are a sole proprietor.
Important ownership information that should be incorporated into your business plan includes:

- Names of owners
- Percentage ownership
- Extent of involvement with the company
- Forms of ownership (i.e., common stock, preferred stock, general partner, limited partner)
- Outstanding equity equivalents (i.e., options, warrants, convertible debt)
- Common stock (i.e., authorized or issued)

Management Profiles

Experts agree that one of the strongest factors for success in any growth company is the ability and track record of its owner/management, so let your reader know about the key people in your company and their backgrounds. This section should again cover a succinct description of the owners and key employees or outside advisors. Provide resumes that you can reference here and include in the addenda with the following information:

- Name
- Position (include brief position description along with primary duties)
- Primary responsibilities and authority
- Education
- Unique experience and skills
- Prior employment
- Special skills
- Past track record
- Industry recognition
- Community involvement
- Number of years with company

- Compensation basis and levels (make sure these are reasonable - not too high or too low)

Be sure you quantify achievements (e.g. "Managed a sales force of ten people," "Managed a department of fifteen people," "Increased revenue by 15% in six months," "Expanded the retail outlets at the rate of two per year," "Improved the customer service as rated by our customers from a 60% to a 90% rating").

Also highlight how the people surrounding you complement your own skills. No one person has all the necessary skills to operate a company. Think of all the skills needed in the form of a pie and then identify the keys to each slice.

Example:

- Operations
- Installation
- Sales
- HR
- Financial management
- Legal
- Oversight

If you're just starting out, show how each person's unique experience will contribute to the success of your venture. One person, many have many sections or slices to cover, discuss how outside resources will be used to augment talent such as CPAs and attorneys. State who they are and their credentials in filling these roles.

Jobs Created

Talk about the economic development that will occur because of new jobs created for either a start up business or a expansion of an existing business. How many initial jobs were created and how many more will be created during the period forecasted and covered in this business plan? Are there readily available skilled workers in the area to fill the jobs and if not how will these skills be obtained?

Products and Services

What are you selling? In this section, describe your service or product, emphasizing the benefits to potential and current customers. For example, don't tell your readers which 89 foods you carry in your "Gourmet to Go" shop. Tell them why busy, two-career couples will prefer shopping in a service-oriented store that records clients' food preferences and caters even the smallest parties on short notice.

Focus on the areas where you have a distinct advantage. Identify the problem in your target market for which your service or product provides a solution.

Give the reader hard evidence that people are, or will be, willing to pay for your solution. List your company's services and products and attach any marketing/promotional materials. Provide details regarding suppliers, availability of products/services, and service or product costs. Also include information addressing new services or products which will soon be added to the company's line.

Overall, this section should include:

- A detailed description of your product or service (from your customers' perspective). Here, you would need to include information about the specific benefits of your product or service. You would also want to talk about your product/service's ability to meet consumer needs, any advantages your product has over that of the competition, and the present development stage your product is in (i.e., idea, prototype, etc.).
- Information related to your product's life cycle. Be sure to include information about where your product or service is in its life cycle, as well as any factors that may influence its cycle in the future.
- Any copyright, patent, and trade secret information that may be relevant. Here, you need to include information related to existing, pending, or anticipated copyright and patent filings along with any key characteristics of your products/services that you cannot obtain a copyright or patent for. This is where you should also incorporate key aspects of your products/services that may be classified as trade secrets. Last, but not least, be sure to add any information pertaining to existing legal agreements, such as nondisclosure or noncompeting agreements.
- Research and development activities you are involved in or are planning to be involved in. R&D activities would include any in-process or future activities related to the development of new products/services. This section would also include information about what you expect the results of future R&D activities to be. Be sure to analyze the R&D efforts of not only your own business, but also that of others in your industry.

Location and Hours of Operation

This section does not need to be included as a separate section if for example you are a retail or manufacturing business that is opened in one location during normal business hours. In that instance, you can include the information in the company description.

If however, you are a retail location that also hosts events at night or have catering functions or multiple delivery points or something else unique that sets you apart from your competitors you want to highlight that here.

This is also a place to make distinctions for the holding company that owns multiple businesses like a sales installation company that is separate and apart from the affiliated company that is a manufacturing business that is not 100% closed in for the benefit of the affiliate.

It is also a way to distinguish the collateral locations for the lender so that they understand your business model, again for complex companies or those companies with multiple delivery outlets.

Financial Performance to date

This section should include a historical review of your existing business financials and a separate and independent review of any potential business acquisition. The forward looking view of the combined operations is included in the Forecast section within this plan.

Company Operations

If you own an established business, you will be requested to supply historical data related to your company's performance. Most creditors will request the following information if you have no seasonality or cyclicality to your business:

- Three years business tax returns
- Three years personal tax returns for each owner that owns over 20%
- Interim financial statement dated within 60 days of the date of application
- Personal financial statement for each owner that owns over 20%
- Business financial projections for income statement and cash flow for three to five year period
- If applicable, accounts receivable and payable agings dated concurrent to the interim financial statement date

In this section, you will include a table or bar graph summarizing this information and discussing any relevant trends in financial performance as well as any one-time events that could have impacted your financial performance that the creditor or investor should take into consideration when reviewing your request. Anything that is outside the normal operations should be addressed with explanations provided. Examples include:

- One time purchase of bulk inventory or raw materials to take advantage of a price opportunity;
- Expensing a group of equipment for tax purposes that could have otherwise been capitalized;
- Lost revenue due to storms that closed the business for an extended period resulting in a dip in sales

If you are a start-up, which is defined as a company in business less than two years, you will provide information for whatever period you have in a similar format highlighting all areas of improvement and the areas where work still needs to be done.

If you are a company that has not been in business yet, then you will eliminate this section and focus on the forecast section unless you are purchasing a business.

Acquisition Target

You will need to provide the three-year business tax returns and interim statement for the acquisition target consistent with the information required for your company above. Many companies will tell you that they have no "formal balance sheet" for the interim period and in that case will need to provide you with a schedule of assets and estimated value for anything transferring with the sale. The seller should identify all forms of owner compensation through direct pay and indirect pay (healthcare benefits, cell phones, car leases or allowances etc.)

Funding Request

In this section, you will request the amount of funding you will need to start or expand your business. If necessary, you can include different funding scenarios, such as a best and worst case scenarios, but remember that later, in the financial section, you must be able to back up these requests and scenarios with corresponding financial statements, meaning each scenario needs its own separate forecast statements.

How you will use your funds is very important to a creditor and determines the length of time used for repayment purposes such as:

- Is the funding request for capital expenditures such as equipment? If so, what is the useful life of that equipment post acquisition? Or is it for real estate, if so where? How much of the building will be occupied by the business? If not 51% initially, when will that occur and what is driving the need for the purchase in the interim?
- Is it for working capital needs that are short term in nature due to the timing difference between receivable collection and vendor payments? Or is it long term in nature because it is handling growth or expansion needs?
- Is the loan for debt retirement or refinance? If so, why now? What is the reason you are looking to replace the loan? Was it previously seller financing?
- Acquisitions? Are you buying a business and if so are you buying only the assets or are you buying the entire business including name, stock? If you are not buying the whole business, are you buying a majority position?

Whatever the need is, be sure to list it in this section even if it is multiple needs. Depending on the request, you could be approved for a blended loan or you may have separate loans approved depending on the different needs and the allowed time for repayment under each type or need.

Budget

You will want to include the following in this section:

- your current funding requirement for the three to five year period being forecasted,
- additional funding you may need subsequent to that period and before your initial loans are repaid in order to maintain growth in your business,
- how you plan to reinvest earnings into your business during the loan terms,
- how you will use the funds you receive which should be presented in a table format, and
- any long-range financial strategies that you are planning that would have any type of impact on your funding request.

When you are outlining your current and future funding requirements, be sure to include whether you want the funding at each interval all at once or if you want it over a draw down period (not more than three to six months) in order to time the funding to the specific need.

Project Description for Real Estate, Inventory and Equipment Loans

If your loan request is to acquire or renovate a new location for the business or to build a position in held inventory or equipment you will need to further explain the “project” in this section if you are seeking outside financing.

- What is the acquisition cost of the property? Whate are the renovations costs? Who will be completing the renovations? Is the property currently zoned for the intended use? If not, what is the timeline and likelihood in getting the zoning changed?
- If you will be acquiring core inventory in order to fulfill contracts, purchase orders or to otherwise expand sales, provide a summary of the inventory to be acquired and its useful life. In other words, how do you and the outside funding source eliminate the risk of obsolescence in the products you are acquiring? What types of inventory monitoring/reporting will you have?
- For equipment financing, what is the useful life of the equipment being acquired? Is it new or used equipment? Are there serial numbers or licenses/tag associated with the equipment? Is the equipment to replace existing equipment or is it to automate part of your process to gain

efficiencies? If the latter, have you estimated the cost savings? If the equipment is for a specific job, how can you use it in the future?

Creditors are also interested in any collateral that you may have that could be used to secure your loan, regardless of the structure or requested need. In this section, you will want to highlight the collateral that you have available for the loan and any liens that are currently in place against that same collateral. If you have extensive lists of equipment, summarize it by category and make reference to a comprehensive list that you will include in the addenda. For real estate, including any information that you have as it pertains to market value, property condition, inspections, zoning or required renovations.

Marketing

This overview section should include: a description of your primary industry, the current size of the industry as well as its historic growth rate, trends and characteristics related to the industry as a whole:

- What life cycle stage is the industry in?
- What is its projected growth rate?
- How many competitors are there in this space already and what will your company differentiators be?)

And address who the major customer groups within the industry are (i.e., businesses, governments, consumers, etc) and the best way to market to these groups to achieve the results in your financial forecast.

You need to include any information about any of the market tests you have completed for your business plan, specifically focusing only on the results of these tests. Any specific details should be included in the appendix. Market test results might include:

- the potential customers who were contacted,
- any information or demonstrations that were given to prospective customers,
- how important it is to satisfy the target market's needs, and
- the target market's desire to purchase your business' products or services at varying prices

Market Analysis

Your target market is simply the market segment (or group of customers) that you want to target (or focus on and sell to) either because you have a superior product or service that can take market share from competitors or because your product or service will address a market segment where needs are not currently being met. When you are defining your target market, it is important to narrow it to a manageable size where you can exceed expectations while building your brand and then adding at a pace that will maintain your brand reputation. Many businesses make the mistake of trying to be everything to everybody before they have the capital and infrastructure to support all the various needs they are trying to serve. This approach often leads to reputational, brand and then company failure.

Competition

When you are doing a competitive analysis, you need to identify your competition by product line or service as well as by market segment; assess their strengths and weaknesses, determine how important

your target market is to your competitors, and identify any barriers which may hinder you as you are entering the market.

Be sure to identify all of your key competitors for each of your products or services. For each key competitor, determine, if possible, what their market share is, then try to estimate how long it will take before new competitors will enter into the marketplace. In other words, what is your window of opportunity? Finally, identify any indirect or secondary competitors which may have an impact on your ' success.

The strengths of your competitors are also competitive advantages which you, too, can provide. The strengths of your competitors may take many forms, but the most common include:

- An ability to satisfy customer needs
- A large share of the market and the consumer awareness that comes with it
- A good track record and reputation
- Solid financial resources and the subsequent staying power which that provides
- Key personnel

Weaknesses are simply the flip side of strengths. In other words, analyze the same areas as you did before to determine what your competitors' weaknesses are. Are they unable to satisfy their customers' needs? Do they have poor market penetration? Is their track record or reputation not up to par? Do they have limited financial resources? Can they not retain good people? All of these can be red flags for any business. If you find weak areas in your competition, be sure to find out why they are having problems to determine how you will be able to avoid the same mistakes they have made.

If your target market is not important to your competition, then you will most likely have an open field to run in if your idea is a good one - at least for a while. However, if the competition is keen for your target market, be prepared to overcome some barriers. Barriers to any market might include:

- A high investment cost
- The time it takes to set up your business
- Changing technology
- The lack of quality personnel
- Customer resistance (i.e., long-standing relationships, brand loyalty)
- Existing patents and trademarks that you can not infringe upon

Advertising and Promotion

Here you need to explain your marketing plan to attract customers. You need to identify the various forms of advertising that will best address your target market and how you will use those platforms. Beyond a website, you will need to address the various social media outlets, direct sales campaigns, trade publications if relevant and any direct mail or email campaigns that will be utilized.

This is also an area where you can explain the targeted gross margins and any promotional or package deals that you will use initially to build your customer base or at a later date to maintain brand loyalty and build client referrals. These promotional programs should be built into your projections.

Future Expansion Plans

This area is here to reflect company benchmarks and should tie into both the funding request and forecast. Meaning you are going to provide a forecast for a three to five year period based on your initial plans. What market opportunities could occur that would have you alter your plans to achieve better results? How will you be planning for those opportunities in terms of reinvesting profits to build capital for the future? Are there identified geographic market targets that could create new sales either through the acquisition of sales people or companies? What would it take to achieve those goals? Is this a business opportunity that is heavy in technology that will have an exit strategy sooner than say a retail business? Meaning, is the exit strategy based on building a business up to the point that it can be acquired at some point in the shorter term as a retirement strategy for those involved.

Forecasted Financial Results

All businesses, whether startup or growing, will be required to supply prospective financial data. Most of the time, creditors will want to see what you expect your company to be able to do within the next five years. Each year's documents should include forecasted income statements, balance sheets, cash flow statements, and capital expenditure budgets. For the three years, you should supply monthly projections. After that, you can stretch it to quarterly and/or yearly projections for years 4 and 5.

Make sure that your projections match your funding requests; creditors will be on the lookout for inconsistencies. It's much better if you catch mistakes before they do. If you have made assumptions in your projections, be sure to summarize what you have assumed. This way, the reader will not be left guessing.

Finally, include a short analysis of your financial information. Include a ratio and trend analysis for all of your financial statements (both historical and prospective). Since pictures speak louder than words, you may want to add graphs of your trend analysis (especially if they are positive)

ADDENDA

SWOT Analysis Template

While all SWOT analysis templates comprise the same basic elements, ie Strengths, Weaknesses, Opportunities and Threats, the information you slot under each heading can make or break your planned product or solution launch.

Step1: Establish your objective by defining the aim of the SWOT analysis.

Step 2: Complete the SWOT analysis template.

	Positive Factors	**Negative Factors**
Internal Factors	**STRENGTHS** The aim is to identify the following: • What are your strengths? • What do you do better than others? • What unique capabilities and resources do you possess? • What do others perceive as your strengths? You can outline the advantages of the proposition by considering some, if not all, of the following: • Capabilities • Competitive advantages • Unique selling points • Resources and assets • Experience, knowledge, data • Financial reserves, likely returns • Marketing - reach, distribution, awareness • Innovative aspects • Location and geographical considerations • Price, value, quality • Accreditations, qualifications, certifications • Processes, systems, IT, communications • Cultural, attitudinal, behavioural • Management cover, succession • Philosophy and values	**WEAKNESSES** The aim is to identify the following: • What are your weaknesses? • What does your competition do better than you? • What can you improve given the current situation? • What do others perceive as your weaknesses? Here you examine the possible disadvantages of the proposition by looking at: • Gaps in capabilities • Lack of competitive strength • Reputation, presence and reach • Financials • Own known vulnerabilities • Timescales, deadlines and pressures • Cashflow, start-up cash-drain • Continuity, supply chain robustness • Effects on core activities, distraction • Reliability of data, plan predictability • Morale, commitment, leadership • Accreditations • Processes and systems • Management cover, succession

	Positive Factors	Negative Factors
External Factors	**OPPORTUNITIES** The aim is to identify the following: • What trends or conditions may positively impact you? • What opportunities are available to you? This is where you list the opportunities for your proposition in a variety of areas: • Market developments • Competitors' vulnerabilities • Industry or lifestyle trends • Technology development and innovation • Global influences • New markets, both vertical, horizontal • Niche target markets • Geographical, export, import • New USPs • Tactics • Business and product development • Information and research • Partnerships, agencies, distribution • Volumes, production, economies • Seasonal, weather, fashion influences	**THREATS** The aim is to identify the following: • What trends or conditions may negatively impact you? • What are your competitors doing that may impact you? • Do you have solid financial support? Here you consider threats to your proposition in terms of: Political impact Legislative effects Environmental effects IT development Competitors Market demand New technologies, services, ideas Vital contracts and partners Sustaining internal capabilities Obstacles faced Insurmountable weaknesses Loss of key staff Sustainable financial backing Economy, both local and international Seasonality

Step 3: Evaluate all of the above-listed items against the stated objectives.