



MSBDC Network at Clark University

BUSINESS PLAN OUTLINE/LOAN PROPOSAL

COVER PAGE

- A. Business Plan
- B. Name of Company
- C. Address of Company or Principal/s
- D. Name of Principal/s
- E. Telephone Number
- F. Date

TABLE OF CONTENTS

EXECUTIVE SUMMARY - PLAN OBJECTIVE

- A. In 1-2 pages, summarize the business plan. Give a brief description of the business, amount of the loan being requested, what it will be used for, the terms of the loan and how the loan will be repaid.

I. BUSINESS PROFILE - DESCRIPTION OF BUSINESS

- A. Brief description of company history, highlights and milestones.
- B. What type of business are you in? Retail, manufacturing, service, wholesale, etc.?
- C. What are the primary products or services that your business provides?
- D. Explain how your product or service fills a demand in the marketplace.
- E. What is the business structure of your business? Sole proprietorship, partnership, corporation, S-corporation?
- F. Is your business a start-up, an expansion of an existing business or are you purchasing an on-going business?
- G. When will/did the business open?

II. MARKET PROFILE AND POTENTIAL

- A. Why is this a good opportunity?
- B. What is the underlying need for the products or services that your business provides? Driving forces in the marketplace? Demographics? Psychographics?
- C. Who is your target market? Where are they?
- D. What is the potential size of the market - your market share?
- E. What are the channels of distribution?
- F. Is the market stable? Growing? Declining?
- G. How can you attract customers to buy from your business?

III. ADVERTISING - MARKETING PLAN

- A. What is your marketing plan?
- B. How will you reach your target market (potential customers)?
- C. What are your key market strategies (e.g. product mix? pricing? promotion? distribution? service (support)?
- D. What is your promotional plan? What types of media will be most effective for reaching your target market? Newspapers, TV, trade journals, radio, magazine, signs?
- E. What is your selling strategy? Salespeople, floor sales assistance, direct mail, reps, dealers?
- F. What is your advertising and promotional budget?
- G. What will your pricing and margin strategies be?
- H. What is your revenue forecast and how does it tie to your Marketing Plan (linkage)?

IV. COMPETITOR PROFILE

- A. Who are your direct competitors?
- B. List their strengths and weaknesses.
- C. Discuss how you will capitalize on their weaknesses and how you can use their strengths.
- D. What are the sales trends for your competitors? Why?
- E. What percent of the competition's market will you be able to take?
- F. Will you be price competitive?
- G. How will you compare in convenience of location, price, quality and service?

V. LOCATION OF BUSINESS AND FACILITIES

- A. Have you checked zoning laws for your type of business?
- B. Will you own or lease?
- C. How much renovations will be needed and how much will it cost?
- D. Is there adequate parking for customers?
- E. What are some other positive factors about your location?
Is there a good labor pool in the local area?
Good access to public and commercial transportation?
Incentives to locate there?
Good quality of life in the community?
- F. What is the area's economic, demographic, political climate?

VI. MANAGEMENT TEAM PROFILE

- A. Who will manage the business? What business experience/skills does this person possess?
- B. List the name and address of the company accountant, lawyer and insurance advisor.
- C. Include a current resume of the owner and managers.

VII. PERSONNEL PROFILE

- A. What are your current personnel requirements? In the future?
- B. What skills are needed by your employees? Do they need to be trained?
- C. What education will be necessary? Technical, business?
- D. Will they be full time or part time?
- E. Hourly or salaried?
- F. What benefits will you provide? Vacations, holidays, health benefits, etc.?
- G. Will you have a personnel policy handbook?
- H. Do you have Workers' Compensation in place? You must have this BY LAW before you hire your employees. (If you are a proprietorship with no employees, you are not required to have Workers' Comp. or tax identification numbers; if your company is a partnership or a corporation, you are required to have them).

FINANCIAL PORTION

I. SOURCE AND APPLICATION OF FUNDS/LOAN

- A. How much money do you need to accomplish your purpose?
- B. Be sure to list why you need the money - purchase the business, renovations, inventory, other start-up costs, working capital, etc.
- C. List the terms of the loan - number of years for payback, interest rates.
- D. What security (collateral) do you offer?

II. FINANCIAL STATEMENTS FOR EXISTING BUSINESSES

- A. Provide financial statements, balance sheets and income tax returns for the previous two years.
- B. Provide an interim statement no older than 90 days.

III. CAPITAL EQUIPMENT LIST

- A. List cost and present value of equipment in use or that will be needed. Indicate which ones you own and which ones will need to be purchased.

IV. PRO FORMAS - INCOME PROJECTIONS

- A. Profit and loss projections for two years. This is an estimate of what you expect to happen with the business on a monthly basis for the next two years. Show the seasonality of your business - the high and low points - that occur during the year.
- B. Notes and explanations to the profit and loss projection - explain how you arrived at your figures, what they represent, the timing of increases or decreases and any other information that clarifies your statement.
- C. Cash flow projections for two years. Do this after you develop your profit and loss statements. Cash flow is one of the most important areas of running your business. It shows if you have enough cash to be in business!
- D. Notes and explanations to the cash flow statement.
- E. Balance Sheet - this lists the assets and liabilities of your business. The business plan should include a beginning balance sheet and a projected balance sheet after one year of business.

V. SUPPORTING DOCUMENTS

- A. Resumes for all principals and management.
- B. Personal financial statements for the principal(s).
- C. Supporting information - copies of leases, letters of intent, patent information, contracts, permits and/or licenses, marketing studies, articles, etc