# Business Plan

**Goal**: Our/My company is looking for an investment of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ in exchange for \_\_\_\_\_\_% of ownership.

**OWNERS**

Your Business Name

Street Address

Address 2

City, ST ZIP Code

Telephone

Fax

E-Mail

### General Company Description

What business will you be in? What will you do? (1-2 sentence descriptor)

**Mission Statement:** Many companies have a brief mission statement, usually in 30 words or fewer, explaining their reason for being and their guiding principles.

**Describe your industry**. Is it a growth industry? What changes do you foresee in the industry, short term and long term? How will your company be poised to take advantage of them? (3-4 Sentences)

**Describe your most important company strengths and core competencies**. What factors will make the company succeed? What do you think your major competitive strengths will be? What background experience, skills, and strengths do you personally bring to this new venture? (4-6 Sentences)

**Describe your products or services** (technical specifications, drawings, photos, sales brochures, and other items). The Description will vary based on your information/product.

**What factors will give you competitive advantages or disadvantages**? Examples include level of quality or unique features.(3-4 Sentences)

**What are the pricing or leasing structures of your products or services?** (In other words how much will each cost and why, plus justification)

### Marketing Plan

No matter how good your product and your service, the venture cannot succeed without effective marketing. And this begins with careful, systematic research. It is very dangerous to assume that you already know about your intended market. You need to do market research to make sure you’re on track.

In your marketing plan, be as specific as possible; give statistics, numbers, and sources. The marketing plan will be the basis, later on, of the all-important sales projection. This information should be no longer than a page long and include any documentation or charts necessary. Remember this is something for the investor to hold, make it easily accessible and attractive!

Features and Benefits

* Describe the most important features. What is special about it?
* Describe the benefits. That is, what will the product do for the customer?

Note the difference between features and benefits, and think about them. For example, a house that gives shelter and lasts a long time is made with certain materials and to a certain design; those are its features. Its benefits include pride of ownership, financial security, providing for the family, and inclusion in a neighborhood. You build features into your product so that you can sell the benefits.

What, if any, after-sale services will you give? Some examples are delivery, warranty, service contracts, support, follow-up, and refund policy.

##### Customers

Identify your targeted customers, their characteristics, and their geographic locations, otherwise known as their demographics.

The description will be completely different depending on whether you plan to sell to other businesses or directly to consumers. If you sell a consumer product, but sell it through a channel of distributors, wholesalers, and retailers, you must carefully analyze both the end consumer and the middleman businesses to which you sell.

**Demographic Profile**

Construct what is called a demographic profile of your most important customer base.

* Age
* Gender
* Location
* Income level
* Social class and occupation
* Education
* Other (specific to your industry)
* Other (specific to your industry)

##### Competition

What products and companies will compete with you?

List your major competitors:

How will your products or services compare with the competition?

Proposed Location (if a store)

What will be your precise location? This is the time to think about what you want and need in a location.

Is your location important to your customers? If yes, how?

If customers come to your place of business:

Is it convenient? Parking? Interior spaces? Not out of the way?

Is it consistent with your image?

Is it what customers want and expect?

Where is the competition located? Is it better for you to be near them (like car dealers or fast-food restaurants) or distant (like convenience-food stores)?

### Startup Expenses and Capitalization

You will have many expenses before you even begin operating your business. It’s important to estimate these expenses accurately and then to plan where you will get sufficient capital. This is a research project, and the more thorough your research efforts, the less chance that you will leave out important expenses or underestimate them. Remember your investors can and will ask about any oversights, be prepared.

Explain your research and how you arrived at your forecasts of expenses in your pitch to investors. Give sources, amounts; leave no stone unturned. Also explain in detail how much will be contributed by each investor (ideally) and what percent ownership each will have.

|  |  |  |  |
| --- | --- | --- | --- |
| **Startup Expenses** |  |  |  |
| Enter your company name here |  |  |  |
|  |  |  |  |
|  |  |  |  |
| ***Sources of Capital*** |  |  |  |
|  |  |  |  |
| **Owners' Investment (name and percent ownership)** |  |  |  |
| Your name and percent ownership |  |  $ -  |  |
| Other investor |  |  -  |  |
| Other investor |  |  -  |  |
| Other investor |  |  -  |  |
| **Total Investment** |  |  $ -  |  |
| ***Startup Expenses*** |  |  |  |
|  |  |  |  |
| **Buildings/Real Estate** |  |  |  |
| Purchase |  |  $ -  |  |
| Construction |  |  -  |  |
| Remodeling |  |  -  |  |
| Other |  |  -  |  |
| **Total Buildings/Real Estate** |  |  $ -  |  |
|  |  |  |  |
| **Leasehold Improvements** |  |  |  |
| Item 1 |  |  $ -  |  |
| Item 2 |  |  -  |  |
| Item 3 |  |  -  |  |
| Item 4 |  |  -  |  |
| **Total Leasehold Improvements** |  |  $ -  |  |
|  |  |  |  |
| **Capital Equipment List** |  |  |  |
| Furniture |  |  $ -  |  |
| Equipment |  |  -  |  |
| Fixtures |  |  -  |  |
| Machinery |  |  -  |  |
| Other |  |  -  |  |
| **Total Capital Equipment** |  |  $ -  |  |
|  |  |  |  |
| **Location and Admin Expenses** |  |  |  |
| Rent & Related Costs |  |  $ -  |  |
| Utility deposits |  |  -  |  |
| Legal and accounting fees |  |  -  |  |
| Prepaid insurance |  |  -  |  |
| Pre-opening salaries  |  |  -  |  |
| Other |  |  -  |  |
| **Total Location and Admin Expenses** |  |  $ -  |  |
|  |  |  |  |
| **Opening Inventory** |  |  |  |
| Category 1 |  |  $ -  |  |
| Category 2 |  |  -  |  |
| Category 3 |  |  -  |  |
| Category 4 |  |  -  |  |
| Category 5 |  |  -  |  |
| **Total Inventory** |  |  $ -  |  |
|  |  |  |  |
| **Advertising and Promotional Expenses** |  |  |  |
| Advertising |  |  $ -  |  |
| Signage |  |  -  |  |
| Printing |  |  -  |  |
| Travel/entertainment |  |  -  |  |
| Other/additional categories |  |  -  |  |
| **Total Advertising/Promotional Expenses** |  |  $ -  |  |
|  |  |  |  |
| **Other Expenses** |  |  |  |
| Other expense 1 |  |  $ -  |  |
| Other expense 2 |  |  -  |  |
| **Total Other Expenses** |  |  $ -  |  |
|  |  |  |  |
| **Reserve for Contingencies** |  |  $ -  |  |
|  |  |  |  |
| **Working Capital**  |  |  $ -  |  |
|  |  |  |  |
| ***Summary Statement*** |  |  |  |
|  |  |  |  |
| **Sources of Capital** |  |  |  |
| Owners' and other investments |  |  $ -  |  |
| Bank loans |  | #REF! |  |
| Other loans |  | #REF! |  |
| **Total Source of Funds** |  | #REF! |  |
|  |  |  |  |
| **Startup Expenses** |  |  |  |
| Buildings/real estate |  |  $ -  |  |
| Leasehold improvements |  |  -  |  |
| Capital equipment |  |  -  |  |
| Location/administration expenses |  |  -  |  |
| Opening inventory |  |  -  |  |
| Advertising/promotional expenses |  |  -  |  |
| Other expenses |  |  -  |  |
| Contingency fund |  |  -  |  |
| Working capital |  |  -  |  |
| **Total Startup Expenses** |  |  $ -  |  |