

# **Business Management Plan Index**

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## BUSINESS PLAN OUTLINE

### SECTION I BUSINESS DESCRIPTION

- **Executive Summary**
  - **One or two page summary of the business plan**
    - *Suggested outline follows this plan outline*
- **Table of Contents**
  - *List each section of the plan with page numbers*
- **Introduction to the business**
  - Business name
  - Business address
    - Actual or proposed general location
  - Current status of business
    - Start-up, existing, expansion, franchise
  - Legal structure of business
    - Sole proprietorship, Partnership, Corporation, LLC (Limited Liability Corporation), S-Corporation
  - Type of Business
    - Retail, Service, Manufacturing, Distributor, Wholesale, Other
- **Business Purpose**
  - List 3 – 4 reasons why you want to be or are in business
    - For example – fill a market niche, provide better service/product, increase sales, expand services
  - Summary of company objectives
    - Short term objectives (5 years)
      - Breakeven point (revenue meets or exceeds expenses), sales/services goals, financial projections
    - Long term objectives
      - Business expansion goals, sales/service goals, financial projections.
- **Business Overview**
  - Describe products or services you will offer
  - How will these products or services benefit the buyer
    - Such as fill unmet demands/needs, reduce costs, improve efficiency, quality
  - Unique aspects of your business
    - Products/services
  - Identify your customers

- Consumers, manufacturers, government
  - Business hours of operation
  - What do you bring to the business
    - Education, skills, experience
- Description of Products or Services
  - What are you selling
    - Describe in detail all product(s) or service(s)
  - List several ways your product or service will benefit the customer
  - Product/service costs
    - Customer price of product/service
    - Cost to produce/purchase product or cost to provide service
  - If offering a line of products or services
    - Which are presently in demand
- Product or Services Features
  - What is unique about your product or service
  - List several advantages your product has over the competition
    - Such as – price, quality, availability, dependability, expertise, special training
  - Discuss any trademarks, copyrights, or patents necessary for your product or service
- Future of the product or service
  - Are there future plans for innovations or improvements to the existing products or services
    - If not why
  - Are there new products or services you plan to include in the future
  - Describe improvements or your products or services (use time lines if necessary)
- Wholesalers/Suppliers/Support Services
  - List all including the products or services they provide
- Management
  - List members of the management team with descriptions of each members function and experience
  - Professional and Business Advisors
    - Accountant
    - Attorney
    - Banker
    - Insurance Agent
    - Additional specialists
    - Consultants
    - Other
  - How will your background and experience benefit you in business
- Schedules

- When will you start the business
  - What steps (timeline) have you identified to get to a scheduled opening
  - What plans do you have if you fall behind schedule
    - How will you provide the income to meet pre-existing obligations if your timeline is disrupted
- Subcontractors
  - Will you be subcontracting any jobs
    - If so explain
      - How much of your production or services be subcontracted
      - List subcontractors
- Personnel/Labor
  - Total number of employees
    - Full time
      - Skilled
      - Unskilled
    - Part time
      - Skilled
      - Unskilled
    - Give a brief job description for each position
    - How will you hire and train personnel
    - What salaries and benefits, vacations and holidays will you offer employees
- Business Location
  - What are your location requirements
    - Why is area or building desirable
    - Is location easily accessible
    - Is customer and employee parking available
- Facilities
  - Requirements
    - Building, office, warehouse, retail store, restaurant, mail space, home office, other
      - Discuss you facility requirements (special considerations, preparations, square footage needed and types of space (retail, production, shipping, storage, office))
      - Will you lease or purchase
        - Why
      - If renting or leasing what is the length and terms of the lease agreement
    - *Supporting documentation such as photos, building plans may be included or attached to the plan.*



## **SECTION II MARKETING PLAN**

- Market Identification
  - Who will you be marketing your products or services to
    - Such as – consumers, government, retailers, wholesalers, manufacturers, distributors, resellers or others
  - Market Size (population)
    - Recent past (3-5 years)
      - Declining, stable, growing
    - Current
      - Declining, stable, growing
    - Projected (3-5 years)
      - Declining, stable, growing
  - Is your product or service seasonal in nature
    - If so explain
  - Discuss any economic factors which may affect the sale of your product or service (i.e. inflation, recession, distressed economy, etc.)
- Target Market
  - Describe your target market and how it pertains to your product or service
  - What market segment will you target (geographic, industry, specific consumer, etc.)
  - What factors are the target market's buying decisions based (price, quality, quantity, availability, dependability, etc.)
  - What will the target market spend on your type of product or service in the coming year
- Market Analysis
  - How will you determine if there is sufficient market for your products or services.
- Competitor Analysis (complete analysis for each identified competitor)
  - Include the following for each competitor
    - Name, address, years in business, market share, product/service price
    - Products or services offered including any special features
    - Strength and weaknesses (such as location, size, resources, reputation, services, personnel)
- Pricing Strategy
  - Identify your pricing format
    - Markup on cost (%), Competitive pricing (in line with, competitors), Mfg. suggested retail, Cut-rate (below competition, Other
      - Explain the reason for your pricing strategy
      - How does your pricing compare with industry averages

- Competitive Advantages
  - List strengths and weaknesses
    - Summarize competitive advantage
    - Describe how you will compete against the strengths and weaknesses of your competition
- Advertising plan
  - Describe all forms of advertising media you intend to use (such as, newsprint display advertising, catalogs/mail order, brochures/flyers, web page sales, social media, word of mouth)
    - Indicate the percentage of your overall advertising budget will be invested in each method)
  - Describe any future planned changes in advertising
- Promotional Plan
  - Describe the tactics you will implement to promote your business (such as, public speaking , direct mail, in shop promotions, social media/web page, newsprint display advertising, supplier leads)
    - How will you implement the tactics
    - What sources will you use to develop promotional ideas
- Customer Service/Support
  - What type of service/support will be available to customers, such as factory-only service, company field service, in-house servicing, service contract, technical support telephone support, other (describe), none
  - When the product breaks down, how will you repair it
    - With smallest cost to you
    - Least disruption to customer
  - Will you offer warranty policies, standard or non-standard
  - What is your return policy
  - Will you have a credit policy for customers

### **SECTION III FINANCIAL PLAN**

- Equipment
  - What equipment is currently owned
  - What equipment needs to be purchased
  - What supplies are needed to run the business
  - Discuss any special equipment or supplies needed
- Production Process (this pertains to only businesses that plan to manufacture a product)
  - Describe production process
    - What are the stages in the production
    - Does production process utilize new technology
  - What are your production or operating advantages
- Financial Information
  - How much money will be required to start your business
    - List expense items
  - Three year revenue and expense projection
- If seeking a loan
  - Loan amount
  - Preferred term (length of loan)
  - How much will you invest in your business
    - Cash
    - Collateral in cash value (real property of equal or greater value of the loan value)
  - Attach financial statements
    - Personal financial statement (statement template available at Tri County Economic Development District's web page loan application form at: <http://tricityedd.com/wp-content/uploads/2013/04/ROLF-Application-FINAL-092308.pdf> )
    - Business financial statement (statement template available at Tri County Economic Development District's web page loan application form at: <http://tricityedd.com/wp-content/uploads/2013/04/ROLF-Application-FINAL-092308.pdf> )



## **EXECUTIVE SUMMARY OUTLINE**

- **Business Information**
  - Business name, year founded
  - Address, street, city, state, zip
- **Business/Product and Service**
  - Business's principle mission
  - Business's products include/business's services include
  - Competitive advantage of product/service
  - Future development plans
- **Market**
  - Market definition
  - Market growth rate
  - Total approachable market
- **Competition**
  - Direct competitors
  - Alternatives to business's products
  - Business product/service is superior because
- **Risks and Opportunities**
  - Greatest risks associated with business
    - Business's plan to overcome risks
  - List biggest opportunities for the business
- **Management Team**
  - List name and title of each person who will be involved in running the business
  - Number of full time employees
  - Number of part time employees
- **Capital Requirements (if applicable)**
  - Business seeks funds in the amount of
    - What will funds be used for
    - How will funds be repaid
    - Requested length of repayment period
- **Financial Summary**
  - Actual cash flow including revenue, expenses, and cash reserves for past year and projections for current and at least two additional years.



# **Section I**

## **Business Description**

# Business Plan Overview

Our Purpose in creating these worksheets is to assist you by helping you to think through your business ideas and creating a viable business plan. It is our hope that as you complete the worksheets you will be able to see what you need to be doing in order to make your business a success.

## Outline

This outline is designed to help you write a business plan. The outline is not the business plan. The business plan is a written result of the research done to fill out this outline. The business plan is a “living document” and should be reviewed periodically to check and see if your business is proceeding according to plan – if not then you should either modify the business or re-work your business plan – the end result is that you should wind up with a business plan that accurately reflects your business as it is being operated.

## Objectives

A successful business just doesn't happen. It takes a great deal of research, planning, and good old fashioned hard work. A well-documented business plan will help you think through your business ideas, document your policies, and implement your plans.

The business management plan consists of three sections: The first section describes your business, the second section will help you address your marketing plan, and the last section deals with your financial planning. Upon completion of this business plan you and your management team will be provided with the information needed to succeed. You will also have the documented evidence that is required by a loan officer in order to approve any loan that you may need to cover start-up and operating costs until your business becomes profitable.

## **Executive Summary**

The executive summary, briefly explains the rest of the business plan in one or two pages. The following page should be your table of contents. This shows the lender on which page each section can be found.

### **SAMPLE COVER LETTER**

Mr. John Doe  
SBA  
801 W. Riverside  
Spokane, WA 99205

Dear Mr. Doe:

We are requesting a loan to expand our espresso business. The two owners, Jan Smith and Carla Roberts, have ten years management experience in coffee shop sales.

The market for espresso is increasing in this area. The number of cup sales per day has increased from 35 to over 200 in the last two years from our existing facility. We attribute this increase to increased local purchases, tourism, and our marketing efforts.

There are three local competitors. Two are family owned businesses that do no marketing events or promotions and are little more than profitable hobbies. The third, a national chain, is well managed but lacks our management and marketing skills.

We request \$10,000 expansion loan, which will include approximately \$5,000 in building rehabilitation costs. We would like to repay this loan over a five-year period. The source of repayment will be from cash flow of the business. Our secondary source of repayment is from collateralized equipment. Our homes and business assets are offered as collateral. Their equity value is \$150,000.

Attached is our business plan which backs up our request. If you have any questions please call me at (509) 684-4571.

Sincerely,  
Jan Smith

## **Introduction to the Business**

Business Name: \_\_\_\_\_

Business Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Owner(s): 1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

### **State of Business**

- Start-up
- Expansion
- Existing
- Franchise
- LLC (Limited Liability Corporation)

### **Legal Form of Business**

- Sole Proprietorship
- Partnership
- Corporation
- S-Corp.

### **Type of Business**

- Retail
- Service
- Manufacturing
- Distributor
- Wholesale
- Other

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## **Purpose of the Business**

List several reasons why you are, or want to be, in business:

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Describe the image you want to create for your business:

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Sum up the objectives of your company: \_\_\_\_\_

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Short Term (Within 5 years of start-up)

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Long Term (5 – 10 years)

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## **Overview of the Business:**

Briefly describe the products or services your business will offer:

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What will your products or services do for buyers? (Fulfill an unmet demand, reduce costs, improve efficiency, provide quality, etc.)

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Highlight several unique aspects of your business (products/services):

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Identify your customer (consumers, manufacturers, government, etc.):

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When will your business be open – what days, which hours?

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Describe the experience, education, and skills you bring to your business:

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## **Description of Product or Service**

What are you selling? Describe all of your product(s) or service(s) in detail.

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List at least three ways your product or service will benefit the customer.

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_

Are the products/services market-ready? If not, how long until they will be?

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What is the price of your product/service? What is the cost to produce your product/service?

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If you are offering a line of products or several services, which are presently in demand?

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## **Feature of the Product or Service**

What is unique or different about the product or service your business is offering?

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List three or more advantages your product or service has over the competition. (Consider price, quality, availability, dependability, expertise, special training, etc.)

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

Discuss any trademarks, copyrights, or patents necessary for your product or service.

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## **Future of the Product or Service**

What are the future plans for innovations or improvements to the existing product or service?

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What new products or services to you plan to include in your business in the future?

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Describe further improvements in development of your products or services (use time lines if necessary).

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## Management Team

List the members of your management team and discuss each in terms of strengths, weaknesses, duties, responsibilities, etc.

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Professional and Business Advisors:

Accountant: \_\_\_\_\_

Attorney: \_\_\_\_\_

Banker: \_\_\_\_\_

Insurance Agent: \_\_\_\_\_

Specialists: \_\_\_\_\_

Consultants: \_\_\_\_\_

Other: \_\_\_\_\_

How will your background and experience benefit you in business?

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## Schedules

When are you scheduling to start your business? \_\_\_\_\_

What steps – and in what order – have you identified to get you to your scheduled opening?

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What are your plans if your timeline falls behind schedule? \_\_\_\_\_

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How will you provide the income needed for pre-existing obligations if your business timeline is disrupted?

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## **Subcontractors**

Will you be subcontracting any jobs? \_\_\_\_\_

Explain: \_\_\_\_\_

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How much of your production or service will be subcontracted?

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List your subcontractors:

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## Personnel / Labor

Total number of employees:

Full Time: \_\_\_\_\_ Skilled: \_\_\_\_\_

Part Time: \_\_\_\_\_ Unskilled: \_\_\_\_\_

Give a brief job description of each employee position:

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

4. \_\_\_\_\_

5. \_\_\_\_\_

What are your plans for hiring and training personnel?

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What salaries, benefits, vacation, and holidays will you offer your employees?

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## **Business Location**

What are your location requirements?

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Why are the area and/or building desirable?

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Is your location easily accessible (consider traffic patterns, etc.)?

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Is Public Transportation available?

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Is customer and employee parking available?

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## Facilities

Facilities Requirements:

- |                                     |                                     |                                      |                                       |
|-------------------------------------|-------------------------------------|--------------------------------------|---------------------------------------|
| <input type="checkbox"/> Building   | <input type="checkbox"/> Office     | <input type="checkbox"/> Warehouse   | <input type="checkbox"/> Retail Store |
| <input type="checkbox"/> Restaurant | <input type="checkbox"/> Mall Space | <input type="checkbox"/> Home Office | <input type="checkbox"/> Other_____   |

Discuss your facilities requirements (include special considerations, preparations, and square footage needs – i.e. office space, retail floor space, production area, shipping, storage area, etc.)

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Will you lease or purchase your facilities? Why?

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If you are renting or leasing, what are the length and terms of your lease agreement?

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*Supporting documentation such as photographs, building plans, etc., may be included in this section or attached to the plan.*

# **Section II**

# **Marketing Plan**

## Marketing Definition

Market Identification:

- |  |                                       |                                    |                                      |
|--|---------------------------------------|------------------------------------|--------------------------------------|
| <input type="checkbox"/> Consumers     | <input type="checkbox"/> Government   | <input type="checkbox"/> Retailers | <input type="checkbox"/> Wholesalers |
| <input type="checkbox"/> Manufacturers | <input type="checkbox"/> Distributors | <input type="checkbox"/> Resellers | <input type="checkbox"/> Other_____  |

Market Size (population):

Market Status:

\_\_\_\_\_ Recent past (3-5 years)

Declining

\_\_\_\_\_ Current

Stable

\_\_\_\_\_ Projected (3-5 years)

Growing

Is your product or service seasonal in nature? \_\_\_\_\_

Discuss any economic factors which may affect the sale of your product or service (i.e. inflation, recession, distressed economy, etc.)

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## **Target Market**

Simply and clearly describe your target market and how it pertains to your product or service.

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What market segments will you target (geographic, industry, specific consumer, etc.)?

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On what factors are your target market's buying decisions based? (Price, quality, quantity, availability, dependability, etc.)

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How much will your selected market spend on your type of product or service in the coming year?

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**Competitor Analysis Sheet**  
(You may need to make additional copies)

Competitors Name: \_\_\_\_\_

Competitors Address: \_\_\_\_\_

Years in Business: \_\_\_\_\_

Market Share: \_\_\_\_\_

Price: \_\_\_\_\_

Strategy

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Product or Service

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Features

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Strengths and Weaknesses: (Consideration may include location, size, resources, reputation, services, personnel, etc.)

Strengths

Weaknesses

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## **Competition Analysis**

(Use information from Competitor Analysis page)

How many direct competitors are in your target market? \_\_\_\_\_

How competitive is the market?

High                       Medium                       Low

How would you describe the competition's level of business?

Steady                       Increasing                       Decreasing

Summarize the competition in your market area:

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**Sales and Distribution**

How are you going to sell your product? (Briefly describe the selling and distribution network)

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Will the business employ its own sales force or will dealers and distributors be used?

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Will you utilize a commission or other incentive programs for sales? (Describe)

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What special skills will the sales force require (Personality traits, education, technical etc.)?

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List three ways you will attract, maintain, and increase your market share:

- 1. \_\_\_\_\_
- 2. \_\_\_\_\_
- 3. \_\_\_\_\_

What are your sales (revenue) forecasts for the next three years?

Year 1: \_\_\_\_\_                      Year 2: \_\_\_\_\_                      Year 3: \_\_\_\_\_

## Pricing Strategy

Identify Pricing Strategy:

Markup on cost (%)       Competitive Pricing (in line with competition)

Mfg. Suggested Retail       Cut-rate (below competition)

Other \_\_\_\_\_

Discuss the strategy selected for pricing your product or service:

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How do your prices compare to the industry-wide averages?

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## Competitive Advantages

List your business strengths/weaknesses: (Consider areas such as location, size, resources, reputation, services, personnel, quality, etc.)

Strengths

Weaknesses

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Summarize your competitive advantages:

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Describe how you will compete against the strengths and weaknesses of your competition (Previously discussed in the Market Analysis section).

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## Advertising Plan

Identify the advertising media you plan to utilize:

- |  |   |  |
|--|---|--|
| <input type="checkbox"/> News Print            | <input type="checkbox"/> Web Page Sales | <input type="checkbox"/> Network Marketing |
| <input type="checkbox"/> Display Advertising   | <input type="checkbox"/> Word of Mouth  | <input type="checkbox"/> Brochures         |
| <input type="checkbox"/> Catalogs / Mail Order | <input type="checkbox"/> Social Media   |  |

Describe your selected advertising media. (Indicate what percentage of your overall advertising budget will be invested in the selected methods)

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Describe future planned changes in advertising:

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*Include photocopies of ads, brochures, etc., that you have used or plan to use.*

## Promotion Plan

Describe the tactics you will implement to promote your business:

- |   |   |   |
|---|---|---|
| <input type="checkbox"/> Public Speaking    | <input type="checkbox"/> Social Media   | <input type="checkbox"/> News Print Display Advertising |
| <input type="checkbox"/> Direct Mail        | <input type="checkbox"/> Supplier Leads | <input type="checkbox"/> Party Plan                     |
| <input type="checkbox"/> In Shop Promotions |   |   |

Describe how you intend to implement the tactics you have selected:

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What sources will you use to develop promotional ideas?

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**Customer Service/Support:**

What type of servicing / support will be made available to your customers?

Factory-only Service     Company Field Service     In-House Servicing

Service Contract     Technical Support     Telephone Support

Other (describe): \_\_\_\_\_

None

When the product breaks down, how are you going to repair it with the smallest cost to you and the minimum disruption to your customer?

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What type of warranty policies will you offer?  Standard     Non-Standard

What is your policy on returns/allowances?

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What is your credit policy for customers?

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# **Section III**

## **Financial Plan**

## Equipment

What equipment is currently owned? (List)

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What equipment needs to be purchased? (List)

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What supplies are needed to run your business? (List)

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Discuss any special equipment or supplies needed.

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## Production Process

This section will usually pertain only to those who plan to manufacture a product. Respond to those questions that are relevant to your plan:

Briefly describe your production process:

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What are the states of production?

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How does the production process utilize new technology?

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What production or operating advantage do you have?

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## Financial Information

How much money will you need for the start-up of your business?

Item	Cost
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
<b>TOTAL</b>	\$ _____

What are the total funds needed by your business for the next three years?

Year 1:       \$ \_\_\_\_\_

Year 2:       \$ \_\_\_\_\_

Year 3:       \$ \_\_\_\_\_

If seeking a loan:

Loan Amount   \$ \_\_\_\_\_

Term (Length of loan): \_\_\_\_\_ months.

How much do you have to invest in your business?

Cash \$ \_\_\_\_\_                      Collateral \$ \_\_\_\_\_

**Attach Personal Financial Statement** - Personal financial statements are available at most banks, stationary, and office supply stores. The statement may be added as an attachment with a reference from this section of the business plan.

**Attach Business Financial Statement**