

Business Impact NW

Major Sections of a Typical Business Plan

- Executive Summary
- General Company Description*
- Products and Services*
- The Market and Competitors*
- Marketing Strategy*
- Operations Plan (how business is run on a day-to-day basis)
- Management and Organization*
- Overall Schedule
- Critical Risks and Problems
- Personal Financial Statements*
- Financial History*
- Financial Plan*
- Technology Plan
- Appendices

Updated 3/10/2017

* These sections/components must be completed prior to applying for a loan with Business Impact NW.

Business Impact NW

Major Sections of a Typical Business Plan

EXECUTIVE SUMMARY *(Write this section last.)*

Briefly summarize your plan in 1-3 paragraphs.

- State legal business name, address, phone number, and legal form of business (sole proprietorship, partnership, LLC, S-corporation or corporation), and tax ID number of business.
- List owner's name(s).
- What is the purpose of the business plan? (feasibility plan, a request for funding, etc.)
- Capital needs—if applying for a loan, state desired amount, term of loan, collateral, and repayment plan.

GENERAL COMPANY DESCRIPTION*

- Include the mission statement, vision or goals.
- Identify the nature of the business.
- If this is an existing business, provide the brief history of the company. (keep this section short)
 - ⇒ Founding director and prior owners.
 - ⇒ Number of employees.
 - ⇒ The company's major successes or achievements to date—image or reputation.
 - ⇒ How acquired and time operated by you.
- What are the unique features of the business's products or services?
- Who is the target market? Who is the client/customer?
- What are the customer needs satisfied through your product or services?

PRODUCTS OR SERVICES * (This section can be a continuation of the general company description.)

- What are the principle products and/or services you offer?
- If applicable, briefly describe inventory.
- Price and quality levels—what is the price range for your product or service? Include a price sheet.
- What makes your product/service attractive?
- What future plans do you have for growth or diversification?
- What are your goals on annual sales growth and profits? Relate these goals to actual past performance.

THE MARKET AND COMPETITORS

- Establish what markets exist for your business. Who wants to buy your services or product?
- Establish that you are able to enter these markets and successfully compete.

* These sections/components must be completed prior to applying for a loan with Business Impact NW.

Business Impact NW

Major Sections of a Typical Business Plan

The 3 primary components of this section are:

- ❖ **Industry analysis** (national and local as appropriate)
 - * What are the total sales in the industry (market)? Provide a detailed breakdown of sales for the current year and for the past five years. Include cost of goods sold and the pretax profit by product line or service(s) that contribute more than 10% in pretax profits.
 - * Is the industry growing? What is the growth?
 - * What are the typical gross margins?
 - * What is the average profitability in the industry (market)?
 - * What entry barriers exist?
 - * What do businesses have to do well to succeed in the industry (market)?

- ❖ **Competitor analysis** (This section is a comparison of your major competitors. See attachment.)
 - * Who are your major competitors?
 - * Who else competes for the dollars you are targeting? Remember that competitors are not always companies that do the exact same thing you do.
 - * What is their reputation? How does yours compare?
 - * What is their customer loyalty? How can you try for those customers?
 - * What is the quality of their products/services?
 - * How does their pricing compare with yours?
 - * How large is their market share?
 - * How do they market their business?
 - * Are they managed well? (How can you tell?)
 - * What tools do they use to run their business (equipment, materials, software, etc.)? How effective are those tools?
 - * What makes your product/service attractive and/or unique in comparison to the competition?

- ❖ **Customer analysis** (Describe in detail who your customers are.)
 - * Who is your target market? Who are your customers? Where are they located?
 - * Do they expect to be able to find you/purchase your goods and/or services on-line?
 - * How price sensitive are they?
 - * How quality-conscious are they?
 - * What are your customers' primary motivations to purchase your services? Price? Quality? Delivery time or the hours the business is open?
 - * What are your customers' buying patterns?
 - * Provide the number of your customers or active accounts.
 - * Provide the amount of accounts receivable due over 90 days.
 - * How many customers make up 80% of sales?
 - * Describe any special relationships you have with your customers.

* These sections/components must be completed prior to applying for a loan with Business Impact NW.

Business Impact NW

Major Sections of a Typical Business Plan

MARKETING & ADVERTISING STRATEGY*

- Should support your competitive strategy. List marketing goals, sales volume, number of new customers, repeat business, etc.
- Communications strategy: How will you contact customers? Will you use direct marketing? Describe advertising campaign with spending budget (i.e. telemarketing, direct mail, special events, customer newsletters, web-site, e-mails, brochures, flyers, door-to-door, etc.).
- How will you obtain new customers or get existing customers to come back and spend more money (web/brick and mortar location)?
- What is your pricing strategy?

OPERATIONS PLAN

- Describe how the business is run on a day-to-day basis.
- What is the location of business? (List any satellite or on-line locations.)
- Is brick and mortar location of business important to customers? If applicable:
 - * Is building accessible to customers? (Wheelchair accessible, etc.)
 - * Is there available parking near the location?
 - * Is it near a freeway, downtown, etc.? Accessible and convenience?
- If applicable, is the on-line location of your business important to customers?
 - * Is it easy to find (can they remember the name, does it show up on search engines, is it on marketing materials)
 - * Does it match your brick and mortar business?
 - * Is it user friendly?
- Are premises/websites rented, leased or owned? From whom and under what conditions?
- What are your business hours?

Management Information System

- What information do you need to conduct business? (documentation, communication, records, payroll, financial information, reports)
- What system will you use to store, protect, share, and use this information?
- How will you use this information (customer information, history, financial)?
- How will you communicate with business partners, employees and customers (e-mail, phone, etc.)?

* These sections/components must be completed prior to applying for a loan with Business Impact NW.

Business Impact NW

Major Sections of a Typical Business Plan

MANAGEMENT AND ORGANIZATION*

- State owners (and board of directors if a corporation) names and addresses; percentage of ownership.
- Who manages on a day-to-day basis?
- Include the business organizational structure. Provide the general responsibilities of each of the key people in the business and the hourly or annual salaries. List other personnel, titles, duties and general responsibilities (brief description), and salaries. What hours does each employee work?
- What are the educational background, job experience and/or other abilities relevant to the business for key personnel? This can be provided in their résumés or bios.
- List outside consultants/advisors (accountant, legal, banker, insurance agent, advisory board, or board of directors, if applicable). What are their skills?

OVERALL SCHEDULE

- Provide a schedule for major events, such as:
 - ⇒ Hiring of additional people; salaries/wages; job descriptions.
 - ⇒ Plans for new markets (products/services).
 - ⇒ Expansion into new territories.
 - ⇒ Moving to new location for expansion.

CRITICAL RISKS AND PROBLEMS

“Describe the three or four most critical risks in your...[business]...and state what you will do if each occurs. Try to state how you would deal with each potential problem and survive and succeed in spite of it.”

The Washington Entrepreneur's Guide, p. 223

PERSONAL FINANCIAL STATEMENTS (Include this section if you are applying for a loan.)*

- Provide current financial statement (see attached financial statement form) for all owners and major stockholders. (Must be signed.)
- Provide the last 3 years of personal federal income tax returns.
- Résumés for all owners and major stockholders.

BUSINESS FINANCIAL HISTORY*

- Provide the company's financial history and current condition if you have an existing business.
- Provide quarterly financial statements (Balance sheet and Profit & Loss).
- Three years of federal tax returns.
- Describe the business aging of accounts receivable and accounts payable.
- Describe the business accounting principles regarding depreciation, taxes, etc.
- Provide business assets at cost and market value to secure loan request.

* These sections/components must be completed prior to applying for a loan with Business Impact NW.

Business Impact NW

Major Sections of a Typical Business Plan

BUSINESS FINANCIAL PLAN (current and projections)*

- Give a description of the major conclusions of your company's four major financial statements based on the assumption you get the loan:
 - (a) income statement—for the end of 12 months
 - (b) balance sheet—for the end of 12 months
 - (c) cash flow statement (see attachment)—month-by-month for the next 12 months
 - (d) break-even analysis
- Key assumptions used to calculate your projections. This is a complete description of anything that can influence financial projections.
- Include the company's profit improvement plan.

BUSINESS TECHNOLOGY PLAN

- Describe how you will utilize computer hardware and software in your business.
 - (a) To cut costs (e.g., decreasing staffing requirements and/or providing for increased productivity from existing staff/managers).
 - (b) To increase revenues (e.g. creating a more efficient ordering system, or marketing and selling on the internet.
 - (c) To obtain more clients/customers.
- How will the use of technology help you reach your business goals?
- What will it cost to implement the required computer hardware and software? What will it cost to maintain, upgrade and provide security (firewall, virus scanner, etc.) for your system? How often will you need to update your hardware and software? Will there be training costs associated with implementing the system? Who will be the primary users of the system?
- If you have a website, how will it be developed and hosted? What are the costs associated with developing, hosting and maintaining the site?

APPENDICES

- Financial worksheets.
- Provide copy of business licenses and permits required for business (city, state, etc.).
- If incorporated, include copy of articles of incorporation. If a partnership, include a copy of the partnership agreement. If LLC, include a copy of agreement.
- Include contracts with any outside consultant(s).
- Provide copy of lease agreements.
- Provide copy of contracts (i.e. government contracts).
- Franchise contracts and supporting documents.
- Any other additional information that supports the business plan.

* These sections/components must be completed prior to applying for a loan with Business Impact NW.