

BUSINESS NAME

Sometimes a logo, graphic, or subheading is placed in this area.

**Address
Telephone Number**

Owner's Name

**BUSINESS PLAN
DATE**

This document was compiled with information provided by the client and various state, federal, and local economic development resources available to the Central Virginia Small Business Development Center. (SBDC). The CV SBDC has worked with the client to obtain accurate and current information. No personal opinion or evaluation on the part of the CV SBDC was included in this document. The responsibility for this information rests solely with the client.

Statement of Purpose

State the purpose of the business plan: operational guideline, loan, etc.

If the business plan is for a loan:

Who is asking for the money, how much money is needed, and why is the money needed? Explain what the loan is needed for, how it will benefit the business. Explain why this loan makes good business sense, and the plan for how it will be repaid.

Explain the structure of the business (how it will be set-up).

General Description: What the business is? Where is it located? How will it be set-up? When will it begin operations (timetable)? Why is the money needed? How will the money be repaid?

Optional:

Vision Statement

Values – establish the way employees and customers are treated; reflect your fundamental human values.

Vision – create the definition and shape of the businesses future; ultimate future view of the business.

Purpose – internal measure of success; external purpose to serve community

Your Mission Statement – summarize above (values, vision, purpose); it should be short and focused (no more than 35 words); many companies display their mission statement and “try to live up to it”

Goals and Objectives

Sales volume, customer satisfaction, owner compensation, owner time commitment, number of employees, profit, assets.

To reach your goals and objectives: How, What, Why, Where, Who, and the planned outcome.

Section One: The Business

A. Description of Business

1. Describe the nature of the business.
 - If new,
When will the business open? What will be its hours of operation? Is the business year round or seasonal?
 - If it is existing,
When was the business established or purchased and by whom? What are the current sales trends? What is the condition of capital assets included in the sale? (equipment, inventory, building, etc...) Are there any legal issues involving the business pending?
 - If it is a takeover, (also answer the questions under existing)
Why is the owner selling? How was the price determined? What specifically will be done to make more profitable or turn around business? If business was purchased is there a remaining balance due on the purchase price?
2. How is the business legally structured (i.e., corporation, not-for-profit, etc...)?
 - Who are the owners and what is their percentage of ownership?
 - Why is the business going to be profitable (for start-up) or how is it doing currently (if existing)? What is happening now, and what will happen in the future?
 - What need are you fulfilling with your business? What information have you gathered about this business and where?

B. Product/Service

1. Describe your product or service; how is what you offer different from competitors?
 - What is your idea (product/service)? What direct benefit will this business provide for the customers? What makes your business unique, or better than the competition (What distinguishes or separates you from the competition?)? Why will people want your product/service? What can you provide that others cannot or do not?
2. Do you have plans for expansion? What are they?

C. Marketing Information

1. Describe the market for this product/service. Who are your customers?
 - Specifically, who are your customers (demographics - age, gender, race, income level, etc...) now and in the future? What are they currently buying from you or who are they buying from now? Why you and not the competition? How often will they buy from you? (Will they be repeat customers? What kind of cycle (how often they buy) will they have?) What is the size of the market (how far realistically will the targeted customers travel to do business with you)? What percentage of estimated market will become customers and how many will be repeat customers?
2. Who will you target for new business?
 - How will you reach them? What forms of advertising or promotion will be most effective and cost efficient?
3. How will you price the product/service?
 - What volume/price will allow you to break-even? What value is your product perceived to be worth? What credit policy will be implemented and how will it affect your pricing strategies?

D. Location of Business

1. Describe the business location and why it is a good one for this business.
 - Specifically state why this location was selected (ex. near mall, clean, well lit, low cost of repairs, low cost of lease, traffic (pedestrian & auto), parking, zoned for intended use)? Will you lease or buy? What other business are in the immediate area? Why is this location right for your business? What are the operating costs associated with this location?
2. What other factors are important about this location?

E. Competition

1. Who are your competitors? Describe the products/services they offer.
 - How is the competition doing? Will the market support another business?
2. How will your business be different/better than theirs?

- What makes your business unique, or better than the competition (What distinguishes or separates you from the competition)?

F. Management

1. Who will manage the business? What are their qualifications/backgrounds?
 - Included in this section should be: personal history-background, management experience, operational experience in this kind of business. Who are you and why are you going into this business? What other experiences have prepared you for running this business (ex. business experience, clubs, teams, religious organizations, etc.)? Do you have any mental or physical limitations that you may need help with? Why will you succeed? Financial status-credit history.
2. What are their duties/responsibilities?
 - List the duties essential for operating the business. Who will be responsible for what? What is the organizational structure (who makes the decisions in particular situations)? What will you pay yourself? How much money do you realistically need to live on (basic necessities) and can the business provide it? Is your salary comparable to other management positions?
3. Who are other key people on your management team? Do you have an attorney, accountant, etc.?
 - Accountant, Lawyer, Banker, major trade supplier, Insurance, any help (business advice) that may help you be more profitable.

G. Staffing

1. Do you have current employees? How many people will you need to hire to operate the business?
 - What specific tasks will they be expected to perform (list skills necessary)? Will the employees be full time or part time? How many employees will be hired in the next 12 months? 5 years?
2. Where will these people come from (local area)?
3. Will you have to train these people?

4. How much will you pay them?
 - How will the employees be paid (hourly/salary)? Will overtime be offered or allowed? What benefits if any will be offered?

H. Application and Expected Effect of Loan

1. If seeking financial assistance, how will the loan be used?
2. What items will be purchased? – provide list with costs.
(Associated costs: sales tax, installation charges, etc...)
 - How will the loan make your business more profitable? Why is this loan necessary? Explain purchasing vs. leasing equipment.

I. Summary

Recap the highlights of the plan.

Section Two: Financials

This section will include:

- Existing business tax returns or financial reports (2-3 years)
- Personal tax returns (2-3 years)
- Personal Financial Statement
- Cash flow projections and pro-forma financial statements for 1-3 years into future
- Other pertinent financial materials such as equipment or inventory lists
- You may want to request a copy of your credit report to check for accuracy or “red flags” the banker will find.

Section Three: Appendixes

This section holds supporting documentation for the plan:

- Resumes
- Site plans
- Menu
- Brochure
- Promotional materials
- Reference letters
- Vendor support letters