



## Business Plan Checklist

**Company Name:**

**Owner's Name:**

**Date:**

It is recommended that the items mentioned be added to the business plan. Items shown in **bold** are those items which are considered to be extremely important when seeking financing.

### PLAN FORMAT

- Use 8½" x 11" White Paper
- Narrative should be 10-20 Pages [Does not include Financials or Appendices]
- Use a 3-Ring Binder [Do not use Spiral Binder]
- Include Graphs, Drawings, Charts, & Tables
- Bold the most important Sentence on each Page [Do not Bold Headings]**
- Use Objective Adjectives [Do not use Subjective Adjectives]

### COVER PAGE

- Show the Business Name
- Show the Business Address
- Include the Company Logo/Slogan
- Show the Telephone/Fax Number
- Present the Web Address
- Include the Contact Person's Name, Phone Number, & Email Address

### TABLE OF CONTENTS

- List All Major Headings & Sub-Headings
- List the Contents of the Appendices
- Make sure the Page Numbers correspond correctly to the Plan

### EXECUTIVE SUMMARY

This is the most important section of the plan. **Write this section last! This section should be no longer than two pages.** Write one paragraph (five to 8 sentences) summarizing the facts for each of the above paragraphs. It discusses the business opportunity, product/service description, current business position, financial potential, and the financing request, in very concise and precise language. **Remember the major purpose of this section is to entice the reader to read the entire plan.** It must sell the reader on the economic opportunity of this idea and your ability to make this venture successful.

### **Business Opportunity Paragraph #1**

- Define the Industry
- Summarize the Industry Trends
- Summarize the Industry's Competitive Environment

### **Business Opportunity Paragraph #2**

- Provide the Customer Profile
- Identify Why the Customers Buy
- Identify the Location of the Target Market
- Identify the Size of the Local Target Market

### **Product/Service Paragraph #1**

- Provide a Summary Description of the Products/Services
- Summarize the Major Features of the Products/Services
- Summarize the Significant Benefits of the Products/Services to the Customers
- Address the Uniqueness of the Products/Services

### **Product/Service Paragraph #2**

- Summarize the Business Protection [Patents, Trademarks, Copyrights, etc.]
- Summarize the Sales History of the Products/Services
- Summarize the Marketing Strategies

### **Current Business Position Paragraph #1**

- Address the Stage of Business Development [Concept, Start-up, Prototype, or Production]
- Provide the Start Date for the Business
- Address the Legal Structure of the Business
- Address the Ownership of the Business

### **Current Business Position Paragraph #2**

- Identify the Management Team
- Summarize the Management's Experience
- Summarize the Management's Accomplishments [Sales, Profits, Management Awards, etc.]

### **Financial Potential Paragraph**

- Provide a Bar Chart summarizing the yearly Sales, Gross Profit, & Net Income

### **Financing Request Paragraph**

- Specify the Amount of the Request
- Specify the Breakdown of the Proceeds [Equipment, Marketing, Working Capital, etc.]
- Specify the Type of Request [Loan, Investment, etc.]
- Address the Repayment Terms Requested [Loan]
- Address the Type of Ownership Being Offered [Investment]
- Summarize the Exit Strategy [Investment]

## **COMPANY BACKGROUND**

You need to provide a detailed description of the business in this section. Discuss the company history, present the current position and key objectives of the business, and identify the ownership interests.

### **Business Description**

- Describe When & Why the Company Was Formed
- Describe What the Business Does
- Address Legal Structure
- Address Legal Liability Issues

### **Company History**

- Describe the History of the Business
- Describe Any Notable Accomplishments of the Business

### **Current Position & Business Objectives**

- Address the Stage of Business Development
- Identify the Key Business Objectives
- Provide a Timeline for Accomplishment of the Key Objectives

### **Ownership**

- Identify the Majority Owners of the Business & Their Ownership Interest

## **PRODUCTS AND SERVICES**

You need to describe the products and/or services of the business in this section. Provide a competitive analysis for the products and/or services, present information on your suppliers and inventory requirements, and discuss your research and development plans. **Add photographs of major products.**

### **Products/Services Overview**

- Describe the Features of the Products & Services
- Identify the Unique Features
- Identify the Special Benefits to the User
- Provide Photographs of Products

### **Competitive Analysis**

- Provide an Overview of the Competitive Environment for the Products and/or Services
- Detail the Proprietary Protections

### **Suppliers & Inventory**

- Identify Major Suppliers [Summarize their Products]
- Identify any Major Sub-Contractors [Summarize their Services]
- Describe the Production Equipment Needs
- Discuss the Inventory Need [Include Capital Required for Inventory]

### **Research & Development**

- Describe the Research & Development Plan
- Discuss Attendance at Trade Shows and/or Conventions
- Detail Membership in Professional Associations

## **THE INDUSTRY, COMPETITION, AND MARKET**

In this section, you need to define the industry, discuss the primary competitors, present the size and growth rate of the market, and describe the customer profile for the primary target market.

### **Industry Definition**

- Describe the Nature of the Industry
- Detail the Size of the Industry [Total Sales in Dollars]
- Detail the Industry Growth Rate
- Address the Industry Trends
- Address Industry Seasonality
- Address Industry Trade Shows and Conventions
- Address Industry Opportunities
- Address Industry Threats

### **Primary Competitors**

- \_\_\_ Identify Your Major Competitors
- \_\_\_ Compare Your Major Competitors with Your Business [Price, Target Market, Location, Hours, Online, Features, Value Added Services, Warranties, Partners, Advertising & Promotions, Distribution, & Suppliers]
- \_\_\_ Compare the Strengths & Weaknesses of Your 3 Major Competitors with Your Business

### **Market Size**

- \_\_\_ Detail the Size of the Target Market for the Business [Total Sales in Dollars]
- \_\_\_ Summarize Target Market Studies

### **Market Growth**

- \_\_\_ Detail the Target Market Growth Rate
- \_\_\_ Address the Target Market Trends

### **Customer Profile**

- \_\_\_ Describe the Customer Profile of the Target Market
- \_\_\_ Identify the Target Market by Geography [International, National, Regional, or Local]
- \_\_\_ Discuss Who makes the Buying Decision
- \_\_\_ Discuss Why the Buyer makes the Purchase Decision
- \_\_\_ Identify Major Customers [Anyone Who Purchases 10% or More of Total Sales]

## **MARKETING PLAN**

You need to discuss the competitive advantages and weaknesses of the business in this section. Describe your pricing policies compared to the competition's pricing policies, address the distribution channels, present the promotion plan for your products and/or services, and detail your program for obtaining customer feedback and improving the quality of your products and/or services.

### **Competitive Advantage**

- \_\_\_ Identify the Competitive Advantages of the Business
- \_\_\_ Identify the Competitive Disadvantages of the Business
- \_\_\_ Discuss the Strategies for Improving the Competitive Position of the Business

### **Pricing** (Refer to the Pricing Products & Services Worksheet)

- \_\_\_ Detail how the Business determines its Price [Mark-up, MSRP, Formulas, etc.]
- \_\_\_ Detail any Discounts and/or Coupons

### **Distribution Channels**

- \_\_\_ Describe the Manner in which the Products & Services are Delivered to the Customer
- \_\_\_ Describe the Service Policies [In-Home, In-Shop, In-Office, In-Business, etc.]

### **Promotional Plan**

- \_\_\_ Present the Strategies for Creating Awareness
- \_\_\_ Cover the Strategies for Creating Purchase Pre-Disposition
- \_\_\_ Present an Itemized Budget for Implementing the Strategies
- \_\_\_ Explain The Sales Process [Prospect Identification, Lead Generation, Contact Method, Sales Cycle, Sales Goals Establishment, Tracking Systems, etc.]

### **Feedback**

- \_\_\_ Describe the Process for Obtaining Customer Satisfaction Information [Comment Cards, Telephone Surveys, Mail Surveys, Email Surveys, etc]

## OPERATING PLAN

In this section, you need to discuss the location, describe the facilities, detail the operating equipment, discuss the history and relationship with suppliers, present the personnel plan, and discuss the general operations.

**Location:** (Show the major competitors and the size of the target market within each geographic boundary on a map)

- Use a Map to Pinpoint the Location
- If Retail, provide a Drawing of the Building showing the Business and the other Tenants
- Summarize why the Location was Chosen

### **Facility**

- Describe the Facilities [Photographs]
- Summarize why the Facility was Chosen
- If Retail, provide Drawings or Photographs showing Store Interior Layout
- Provide a Summary of the Financial Terms of the Building Lease or Mortgage

### **Operating Equipment**

- Summarize the Nature of the Production Equipment
- Present the Production Capacity of the Equipment
- Provide an Equipment List [Include Current Market Value]

### **Suppliers & Vendors**

- Provide a Business History of the Critical Suppliers
- Identify any Critical Sub-Contractors

### **Personnel Plan**

- Identify the Personnel Requirements by Job Classification [# & \$]
- Present the Production Capacity of the Personnel

### **General Operations**

- Detail Hours & Days of Operation

## MANAGEMENT, ORGANIZATION, AND OWNERSHIP

In this section, you need to present the management team, discuss the organizational structure, detail the history and relationship of any professional consultants, detail the ownership interests, and discuss the duties of owners in the operation of the business.

**Tip: You must sell the reader on the management team!** The reader is trying to determine the ability of the management team to make this venture a financial success. So, don't describe them in subjective terms such as "a successful manager for 15 years". Provide the hard data that supports the credibility of the management team. Of all the skills sets needed to successfully operate a small business, **the most important skill is the ability to profitably sell to customers who will pay.** So, present the experience and accomplishments of the management team in dollars generated and/or dollars saved.

### **Management/Principals**

- List Key Management Positions
- Identify the Individuals who are expected to fill each Position
- Summarize each person's Experience
- Summarize each person's Accomplishments

### **Organizational Structure**

- Describe the Organizational Structure [Chart]
- Outline the Primary Responsibilities of each Management Position
- Identify the Individuals who are expected to fill each Management Position

### **Professional Consultants**

- Identify each Consultant used by the Business [Attorney, CPA, etc.]
- Include Consultants at the Small Business Development Center

### **Ownership & Boards**

- Identify the Owners of the Business & Their Ownership Interest
- Identify any Board Members [Voting, Non-Voting, or Advisory]
- Discuss the Operational and/or Review Roles of any Boards
- Summarize Business Experience of Board Members

## **GOALS AND STRATEGIES**

In this section, you need to identify the business goals, determine the keys to success, and address your future plans.

### **Business Goals**

- Provide a Detailed List of Key Activities and Operational Goals with timeline.

### **Keys to Success**

- Detail the Risk Factors that are Critical to Success
- Discuss the Contingency Plans for Risk Mitigation [Sales Goals not be Reached, etc.]

### **Future Plans**

- Address any anticipated Future Changes in Business Strategies
- Summarize the Customer Profile for Future Target Markets
- Address how the Business will move into Future

## **FINANCIAL ASSUMPTIONS**

In the introductory paragraph of this section, specify the Amount of the Request, the Breakdown of the Proceeds [Equipment, Marketing, Working Capital, etc.], the Type of Request [Loan, Investment, etc.], the Repayment Terms Requested, and any Investor Exit Strategy.

### **Beginning Balance Sheet**

- Show the Beginning Balance Sheet

### **Profit & Loss**

- Detail the Sales & Sales Growth Assumptions
- Detail the Owners' Compensation
- Show the 3-Year Summary Profit & Loss Statement [Investor Proposal = 5 Years]

### **Balance Sheet**

- Detail any Anticipated Major Changes from Beginning Balance Sheet [PP&E, Loans, Equity, etc.]
- Show the 3-Year Summary Balance Sheet [Investor Proposal = 5 Years]

### **Cash Plan**

- Detail Cash Sales Estimate
- Detail Credit Sales Estimate
- Detail Accounts Receivable Credit Terms, & Collection Days [Document Source]
- Discuss Days Inventory needed at all Times
- Detail Supplier Terms
- Detail New Borrowings
- Detail New Equity Infusions, Dividends, and/or Distributions
- Show the 3-Year Summary Cash Plan [Investor Proposal = 5 Years]

## APPENDICES

The following is a list of items recommended for inclusion in the appendices:

- Monthly Balance Sheet – Years 1, 2, 3, 4, & 5
- Monthly Profit & Loss – Years 1, 2, 3, 4, & 5
- Monthly Cash Plan – Years 1, 2, 3, 4, & 5
- Breakeven Chart
- Equipment List
- Product Brochure
- Sample Advertising
- Customer Testimonials
- Owners' Resume
- Industry/Market Research Information

## CONCLUSION

- Facts are supported with sufficient independent documentation.
- Conclusions are reasonable given the supported facts.
- Facts need to be supported with sufficient Charts, Graphs, and Pictures.
- Plan sells the Market Opportunity.
- Plan sells the Marketing Strategies.
- Plan sells Management's ability to make this business succeed.
- Sales Projections are conservative and have sufficient independent support.
- Plan sells the Financial Opportunity for lenders and/or investors.
- Plan supports the amount of financing requested.
- Plan leads to the conclusion that this venture will be economically viable.

Comments:

**DISCLAIMER:** It is the intent of the FSBDC at USF to review the plan for content and make suggestions as to possible improvements. There may also be suggestions as to further training/counseling for the individual, which may enhance the possibility of success of the venture, but is no guarantee.