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 [Markup, 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 creditability 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.