

Helping Businesses Grow & Succeed

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 8¹⁄₂" 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 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.