



Business Plan Guideline

I. Executive Summary (not to exceed two pages)

- A. Company name, address and phone number
- B. Name, address, phone number, e-mail of key people
- C. Brief description of the business
- D. Brief overview of the market for your product
- E. Brief overview of the strategy to make your firm a success
- F. Brief description of the managerial and technical experience of your key people.
- G. Brief statement of what the financial needs are and planned use of the money.

II. Detailed Business Plan

- A. **Industry analysis**
 - 1. Industry background and overview
 - 2. Trends
 - 3. Growth rate
 - 4. Outlook for the future
- B. **Background of your business**
 - 1. Brief history of the business
 - 2. Current Situation
- C. **Entrepreneurial vision**
 - 1. Your company's mission statement
 - 2. Performance goals and objectives needed to accomplish the mission
 - 3. What makes your business unique: sources of competitive advantage
 - 4. How does your company create value for customers?
 - 5. Describe the key factors that will dictate the success of your business (i.e., price competitiveness, quality, durability, dependability, technical superiority)
 - 6. Control procedures you will establish to keep the company on track, including measures of performance

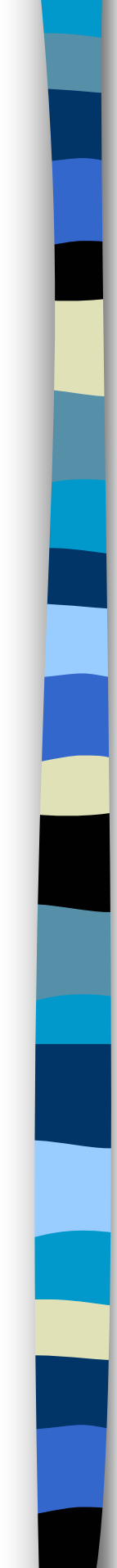


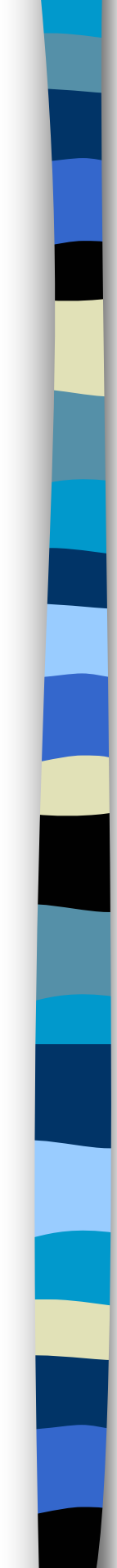
D. Strategic Analysis

1. Core competencies
2. Market positioning and image
3. SWOT analysis
 - a) Strengths
 - b) Weaknesses
 - c) Opportunities
 - d) Threats
4. Business strategy: How will you compete successfully?
 - a) Cost leadership
 - b) Differentiation
 - c) Focus

E. Market analysis

1. Your company's target market
 - a) Demographic profile
 - b) Other significant customer characteristics
2. What motivates customers to buy?
3. Which product features (tangible or intangible) influence customer's buying decisions?
4. How many customers does the market contain? (How large is the market?)
5. What are their potential annual purchases?
6. What is the nature of the buying cycle?
 - a) Is this product a durable good that lasts for years or a product that is repurchased on a regular basis?
 - b) Is the product likely to be purchased at only seasonal periods during the year?
 - c) Do customers have a preference concerning where they purchase comparable products? How strong is this preference?
7. Pricing strategies
 - a) Cost structure – fixed and variable
 - b) Desired image in market
 - c) Your prices versus competitors' prices
8. Advertising and promotion strategies
 - a) Which media are most effective in reaching your target audience? Why?
 - b) Media costs
 - c) Frequency of usage
 - d) How will you generate publicity for your business?
9. Distribution strategy
 - a) Channels of distribution
 - b) How will you get the product or service into the customers' hand?
 - c) Sales techniques and incentives

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10. External market influences: How does each of the following external forces affect the sale or profitability of your product?
- a) Economic factors affecting your business
 - (1) Inflation
 - (2) Recession
 - (3) High or low unemployment
 - (4) Interest rates
 - b) Social factors affecting your business
 - (1) Age of customers
 - (2) Location demographics
 - (3) Income levels
 - (4) Size of household
 - (5) Social attitudes
 - c) Technological factors affecting your business
 - (1) The World Wide Web
 - (2) Hardware and software
 - d) Competitor analysis
 - (1) Describe each of the following factors and discuss how these factors will influence your success
 - (a) Existing competitors
 - (b) Who are they? List major known competitors
 - (c) Why do the potential customers in your target market buy from them now?
 - (2) Future competitors: firms that might enter the market?
 - (a) Who are they and when and why might they enter the market?
 - (b) What would be the impact in your target market segment if they enter?
 - (3) What are the strengths and weaknesses of each key competitor?
 - e) Specifics of your organization and management
 - (1) How is your business organized?
 - (a) Legally (corporations, S corporation, LLC, partnership, sole proprietorship)
 - (b) Functionally
 - (2) Who are the key people in your organization?
 - (a) What are their backgrounds, and what do they bring to the business that will enhance the chance of success?
 - (b) Resumes of key managers and employees
 - (3) Organization chart
 - f) Financial Plans
 - (1) How much money do you need to make this product and your business a long-term success?
 - (a) Tie the response to this question to your production and marketing plan
 - (b) Be realistic and specific



(2) Create a budget. Show the leader or investor how much money you need, why you need it, when you need it, and how and when you plan to generate revenues from operations and sales.

(3) Have a realistic projection of the cost of operating the business

(a) Materials

(b) Labor

(c) Equipment

(d) Marketing

(e) Overhead

(f) Other (i.e., unique start-up costs)

(4) Present actual (existing business only) and projected balance sheets and income statements

(5) Prepare a breakeven analysis

(6) Prepare a ratio analysis; compare to industry standards

(7) Create cash flow projections

g) Loan proposal

(1) Loan purpose

(2) Amount requested

(3) Repayment or “cash out” schedule (exit strategy)

h) Appendices: Marketing research, financial forecasts (Balance Sheets, Income Statements, and cash flow forecasts), other supporting documents.