

NOTE: Each section should be written out in paragraph form, and not longer than two type written pages. A = one section.

THE BUSINESS PLAN

THE NARRATIVE SECTION:

I. BUSINESS DEVELOPMENT

A. Description & History of the Business

1. Name of firm
2. Nature of the business
3. History
4. Major business objectives
5. Legal form of business (include documents)
6. Status of business
7. Industry analysis
8. Impact of economic conditions
9. Desired image
10. Insurance program with binders
11. Bookkeeping method
12. Pending law suits

B. Product/Service

1. What is your product/service?
2. Initial inventory required
3. Methods for inventory management, planning and control
4. Expected rates of inventory turnover
5. Do you own any legal rights to it?
6. What are your credit terms?
7. Names and addresses of suppliers
8. Buying terms, delivery policies and the like
9. Special licenses, permits or regulatory requirements
10. Include existing and new contracts, purchase orders, etc.

C. Location

1. Description of location
2. Accessibility
3. Advantages to business development
4. Parking facilities
5. The building (description, condition, renovations required)
6. Licenses and permits required
7. Terms of lease or sale (include documents)
8. Utilities description/cost
9. Machinery/equipment required
10. Fixtures
11. Interior layout and design
12. Supplies required
13. Insurance (include binder)

II. MARKETING PLAN

A. Marketing

- 1. Targeted customer groups**
- 2. Product mix**
- 3. Service mix**
- 4. Pricing policies**
- 5. Discount policies**
- 6. Markdown (and markup) policies**
- 7. Budget for promotion**
- 8. First year's promotion calendar**
- 9. Advertising plans, media selection, schedules, cooperatives**
- 10. Personal selling efforts and sales training programs**
- 11. Sales promotion tools to be used**
- 12. Plans for window and interior displays (if retail)**
- 13. Distribution methods and channels**
- 14. Needed market research**
- 15. Demographics**

B. Competition

- 1. List of competitors**
- 2. Similarities/dissimilarities**
- 3. Internal and external strengths and weaknesses**
- 4. Market share**
- 5. Competitors' public images**
- 6. Growth potential**

III. Organizational Plan

A. Ownership

- 1. Define ownership**
- 2. Personal financial statements**
- 3. Personal resumes**
- 4. Personal cost of living budgets**
- 5. Personal tax returns for past three (3) years**
- 6. Personal insurance binders**

B. Management

- 1. List key managers**
- 2. Duties and responsibilities**
- 3. Compensation and benefits**
- 4. Qualifications and experience**
- 5. Outside resources, attorney and accountant**
- 6. Organization chart**

C. Personnel

- 1. Current and future needs**
- 2. Job descriptions**
- 3. Compensation and benefits**
- 4. Rules and policies**

THE NUMBERS:

IV. FINANCIAL PLAN

A. Historical Financial Data

- 1. Existing loan agreements**
- 2. Aging of accounts receivable and payable**
- 3. Historical reports for existing business**
 - a. Income tax returns for past three (3) years**
 - b. Financial statements for past three (3) years**

B. Loan Proposal

- 1. Sources and application of financing**
- 2. Pro forma balance sheet**
- 3. Income statement projections**
 - a. Three year summary**
 - b. Notes of explanation**
- 4. Monthly cash flow projections for Year 1**
- 5. Break-even analysis for three (3) years**

C. Supporting Financial Data

- 1. Capital equipment list (existing and needed)**
- 2. Inventory list (existing and needed)**
- 3. Appraisals**
- 4. Estimates**