

BUSINESS PLAN

[Your Business Name]

[Your Logo]

[Your Name, Title]

[Date]

1. EXECUTIVE SUMMARY

1.1 Product

What product or service will your business provide?

1.2 Customers

Who are your target customers?

1.3 What Drives Us

What goals do you have for your company?

1.4 Financing Requested*

How much are you asking for from this lender? Include total project cost and any contributions from other sources (owner's equity, other loans, etc.).

** This question is not on the SBA template but should be included IF you are submitting the business plan with a loan request.*

2. COMPANY DESCRIPTION

2.1 Mission Statement

What is your mission statement?

2.2 Principal Members

Who are the principal members of your company and what are their roles?

2.3 Legal Structure

What is the legal structure of your company?

3. MARKET RESEARCH

3.1 Industry

Describe your industry

3.2 Customers

Describe your customers

3.3 Competitors

Who are your competitors?

3.4 Competitive Advantage

What advantages do you have over your competition?

3.5 Regulation

What regulations apply to your company?

**Also list here any licenses/registrations you have or that are required for your business.*

4. PRODUCT/SERVICE LINE

4.1 Product or Service

What product or service will your company provide?

4.2 Pricing Structure

Describe your pricing structure

4.3 Product/Service Life Cycle

In which life cycle stage is your product or service?

4.4 Intellectual Property Rights

What intellectual property rights do you have for your product or service?

4.5 Research & Development

What research and development (R&D) activities are you performing or planning?

5. MARKETING & SALES

5.1 Growth Strategy

What is your plan to grow your company?

5.2 Communication

How will you communicate with your customers?

5.3 Prospects

How will you sell your product or service?

6. FINANCIAL PROJECTIONS

This section is the most important for investors and lenders because it shows that your company is built on a solid foundation. It also illustrates how your business will be able to meet financial obligations, while maintaining a positive cash flow balance.

You should develop the Financial Projections section after you've analyzed the market and set clear objectives. That's when you can allocate resources efficiently. The following is a list of the critical financial statements to include in your business plan packet.

Historical Financial Data

If you own an established business, you will be requested to supply historical data related to your company's performance. Most creditors request data for the last three to five years, depending on the length of time you have been in business.

The historical financial data to include are your company's income statements, balance sheets, and cash flow statements for each year you have been in business (usually for up to three to five years). Often, creditors are also interested in any collateral that you may have that could be used to ensure your loan, regardless of the stage of your business.

Prospective Financial Data (Projections)

All businesses, whether startup or growing, will be required to supply prospective financial data. Most of the time, creditors will want to see what you expect your company to be able to do within the next five years. Each year's documents should include forecasted income statements, balance sheets, cash flow statements, and capital expenditure budgets.

Make sure that your projections match your funding requests; creditors will be on the lookout for inconsistencies. If you have made assumptions in your projections, be sure to summarize what you have assumed.

You may want to include an Appendix to your plan. This can include items such as your credit history, resumes, letters of reference, and any additional information that a lender may request.

This section includes four spreadsheets:

6.1 Profit and Loss Projection

Shows your company's ability to generate a net profit, or your bottom line. This is also known as an income statement.

6.2 Cash Flow Projection

Displays the operating, investing, and financing activities of your company by detailing the money coming in to and going out of your business.

6.3 Projected Balance Sheet

Estimates resources your business will need, where they will be needed, and how they will be financed.

6.4 Breakeven Analysis

Shows when your business will be able to cover all of its expenses and begin making a profit.

6.1 Profit & Loss (Income statement)

	Year 1	Year 2	Year 3
Sales			
Costs/Goods Sold			
GROSS PROFIT	\$ _____	\$ _____	\$ _____

OPERATING EXPENSES

Salary (Office & Overhead)			
Payroll (taxes, etc.)			
Outside Services			
Supplies (Office & Operation)			
Repairs & Maintenance			
Advertising			
Car, Delivery & Travel			
Accounting & Legal			
Rent			
Telephone			
Utilities			
Insurance			
Taxes (Real Estate, etc.)			
Interest			
Depreciation			
Other Expenses			
TOTAL EXPENSES	\$ _____	\$ _____	\$ _____
NET PROFIT BEFORE TAXES	\$ _____	\$ _____	\$ _____
Income Taxes			
NET PROFIT AFTER TAX	\$ _____	\$ _____	\$ _____
Owner Draw/Dividends			
ADJUSTED TO RETAINED <i>(Remaining profit)</i>	\$ _____	\$ _____	\$ _____

6.2 Cash Flow

	Pre-Startup estimate	Year 1	Year 2	Year 3	Total Item estimate
Cash on Hand					

CASH RECEIPTS

Cash Sales					
Collections from Credit Accounts					
Loan/Cash Injection					
TOTAL CASH RECEIPTS					
TOTAL CASH AVAILABLE					

CASH PAID OUT

Purchases					
Gross Wages					
Outside Services					
Supplies					
Repairs & Maintenance					
Advertising					
Car, Delivery & Travel					
Accounting & Legal					
Rent					
Telephone					
Utilities					
Insurance					
Taxes (Real Estate, etc.)					
Interest					
Other Expenses					
SUBTOTAL	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Loan Principal Payment					
Capital Purchase					
Other Startup Costs					
Reserve and/or Escrow					
Others Withdrawal					
TOTAL CASH PAID OUT	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
CASH POSITION	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

6.3 Balance Sheet

Assets

CURRENT ASSETS	Start Date <i>(ex. 1/1/18)</i>	End Date <i>(ex. 12/31/18)</i>
Cash in Bank		
Accounts Receivable		
Inventory		
Prepaid Expenses		
Other Current Assets		
TOTAL CURRENT ASSETS	\$ _____	\$ _____

FIXED ASSETS

Machinery & Equipment		
Furniture & Fixtures		
Leaseholder Improvements		
Land & Buildings		
Other Fixed Assets		
TOTAL FIXED ASSETS (net of depreciation)	\$ _____	\$ _____

OTHER ASSETS

Intangibles		
Deposits		
Other		
TOTAL OTHER ASSETS	\$ _____	\$ _____
TOTAL ASSETS	\$ _____	\$ _____

Liabilities & Equity

	Start Date <i>(ex. 1/1/18)</i>	End Date <i>(ex. 12/31/18)</i>
CURRENT LIABILITIES		
Accounts Payable		
Interest Payable		
Taxes Payable		
Notes, Short Term (due in 12 months)		
Current Part, Long-Term Debt		
TOTAL CURRENT LIABILITIES	\$ _____	\$ _____

LONG TERM DEBT

Bank Loans Payable		
Notes Payable to Stockholders		
LESS: Short-Term Portion		
Other Long-Term Debt		
TOTAL LONG-TERM DEBT	\$ _____	\$ _____
TOTAL LIABILITIES	\$ _____	\$ _____

OWNER'S EQUITY

Invested Capital		
Retained Earnings		
TOTAL OWNERS EQUITY	\$ _____	\$ _____

TOTAL LIABILITIES & EQUITY	\$ _____	\$ _____
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6.4 Break-Even Analysis

DIRECT COSTS	Fixed Costs (\$)	Variable Costs (%)
Cost of Goods Sold		
Inventory		
Raw Materials		
Direct Labor		

INDIRECT COSTS

Salaries		
Supplies		
Repairs & Maintenance		
Advertising		
Car, Delivery & Travel		
Rent		
Telephone		
Utilities		
Insurance		
Taxes		
Interest		
Depreciation		
Other Costs		
Total Fixed Costs	\$ _____	_____ %
Total Variable Costs	\$ _____	_____ %
BREAKEVEN SALES LEVEL:	\$ _____	

Breakeven analysis is used to determine when your business will be able to cover all its expenses and begin to make a profit. It is important to identify your startup costs, which will help you determine your sales revenue needed to pay ongoing business expenses.

For instance, if you have \$5,000 of product sales, this will not cover \$5,000 in monthly overhead expenses. The cost of selling \$5,000 in retail goods could easily be \$3,000 at the wholesale price, so the \$5,000 in sales revenue only provides \$2,000 in gross profit. The breakeven point is reached when revenue equals all business costs.

To calculate your breakeven point, you will need to identify your fixed and variable costs. Fixed costs are expenses that do not vary with sales volume, such as rent and administrative salaries. These expenses must be paid regardless of sales, and are often referred to as overhead costs. Variable costs fluctuate directly with sales volume, such as purchasing inventory, shipping, and manufacturing a product. To determine your breakeven point, use the equation below:

$$\text{Breakeven point} = \text{fixed costs} / (\text{unit selling price} - \text{variable costs})$$

6.5 Financial Assumptions

6.5.1 Assumptions for Profit and Loss Projections

What are the assumptions for your profit and loss spreadsheet? Explain any documents, forecasts or other assumptions that you relied on to formulate your income statement projections.

6.5.2 Assumptions for Cash Flow Analysis

What are the assumptions for your cash flow spreadsheet? Explain any documents, forecasts or other assumptions that you relied on to formulate your cash flow spreadsheet.

6.5.3 Assumptions for Balance Sheet

What are the assumptions for your balance sheet spreadsheet? Explain any documents, forecasts or other assumptions that you relied on to formulate your balance sheet projections.

6.5.4 Assumptions for Break-Even Analysis

What are the assumptions for your break-even spreadsheet? Explain any documents, forecasts or other assumptions that you relied on to formulate your break even analysis.

Resources:

1. You can complete this business plan on-line through the SBA website (no charge)
www.sba.gov > Tools and Features > Create a Business Plan.
<https://www.sba.gov/tools/business-plan/1>

2. Other information on how to start a business from the NYS Business Express website:

<https://www.businessexpress.ny.gov/app/home>

https://www.businessexpress.ny.gov/app/portal/content/start_a_business



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