

## STÓ:LŌ COMMUNITY FUTURES CORPORATION **BUSINESS PLAN CHECKLIST**

A business plan assesses how much money will be required, what the risks will be, and how much profit can realistically be expected from a venture. It is a summary of the requirements to achieve commercial success with your product, an evaluation of the risks involved and your chances for success, containing **simple statements based on fact**.

### **TITLE PAGE**

This cover page for the business plan should contain:

- Name of the product or title of the business venture
- Full legal name, address and telephone number of the company or individual who is preparing the plan
- Date of the prepared plan (*The date should be changed each time the plan is revised or amended*)
- Optional:* Name of person to be contacted regarding the business plan
- Optional:* Notice clearly stating that the business plan is confidential and is not to be divulged or released to any other parties without permission of the company.

### **EXECUTIVE SUMMARY**

The executive summary provides readers with a brief overview of important parts contained in the business plan.

- One to two pages
- Purpose of the business plan
- Brief outline of the proposed business venture
- Main points describing why the proposed venture is considered to be a good investment or opportunity
- Amount of financing and purposes for the financing, if required
- What the expected returns are
- Statement declaring that the business plan does not constitute a prospectus or a public offering for financing and that no guarantees are made nor implied with regards to the success of the proposed venture

### **TABLE OF CONTENTS**

This is an itemized list of the main sections and subsections contained in the business plan.

- Titles or headings
- Applicable and correct page numbers

## INTRODUCTION

To provide a brief background or history and to outline the purposes for preparing the business plan.

- Two pages
- Reasons for preparing the business plan (i.e. To obtain financing to design the product or complete development, to set up production, to sell the product or for total commercialization from design through to market distribution, etc.)
- Brief overview of the proposed product or business venture
- Brief history or general background of the development of the idea to the present time (3 paragraphs)
- Amount of money required and the specific purpose for the money
- Brief statement of the terms and/or conditions for accepting any investments or financing (i.e. What you are prepared to offer in return for investment in your venture)

## THE COMPANY (OR INDIVIDUAL)

This section identifies the company (or individual) responsible for preparing and implementing the business plan.

- One page

If it is an established company, it should contain:

- When and where the company was incorporated – company's legal name, complete address and telephone number
- Main business of the company (prime activities)
- Indicate the size of the company in terms of the number of employees, annual sales volume and premise size
- Optional:* Any unusual or unique achievements or accomplishments of the company since incorporation
- List of key executives by full name and title
- (*Optional:* State number of years of employment or service with the company for each person)
- Identify contact person for purposes of discussing the plan
- Optional:* If the company has a board of directors or advisors, list their names and their business affiliations.

If it is a new company, it should contain:

- When and where the company was (will be) incorporated – company's legal name, address and telephone number
- Main reasons the company was established (i.e. Intended primary areas of business activity)
- Number of employees
- Describe the present company premises (ie. Residence of one of the principals, new office space, etc)

- Identify the contact person for purposes of discussing the business plan

If it is an individual, it should contain:

- State the full legal name, address and telephone number
- Briefly state qualifications, experience and particular expertise related to the product or proposed venture

### **THE MANAGEMENT TEAM**

The management team is the critical factor in the decision of prospective investors. The management team is made up of the key people responsible for the commercial success of the product and for the meeting the objectives stated in the business plan.

- Two pages
- Full name of each member of the proposed management team, their responsibility in the venture, their key qualifications and relevant experience – a detailed resume should be available if required (*if any members are not able to reveal their identity because of present employment or other personal reasons, identify the person by job function only.*)
- If any key members own shares in the product or venture, state the number of shares or percentage of ownership

### **OTHER SHAREHOLDERS**

- One-half page
- Full name of any other shareholders or owners of the proposed venture
- Percentage or amount of ownership
- Brief description of relationship between shareholders and proposed venture – are they active in the management or decision making process? Are they prepared or expected to sell their interest?

### **THE PRODUCT**

**Caution:** Do not divulge any proprietary design information, strategic technical information or any details that could jeopardize the protection of any proprietary knowledge.

- Two pages
- Name of product
- Brief description of the product in terms of how it is used and what it does – avoid technical descriptions
- List major applications or purposes for the product – key qualities and strengths and advantages of the product
- List important features and benefits of the product – what is special about the product?

- Describe innovative features and advanced technology and/or unique design achievements
- State if the product is patented or intended to be patented or if any other methods have been used to legally protect the product or the intellectual property

## **MARKET**

The primary emphasis should be on the size or extent of the market that will account for the major sales for the product, why there is a demand for this product and the process that is normally used to distribute this type of product. All market information should be based on facts and well-rounded research and must be substantiated (noting source and date of information). Do not include detailed supporting information or market survey results with the business plan. Retain all supporting documentation in a separate file for future reference.

- Two pages
- Descriptions of geographical locations for the major markets
- Total market potential or sales opportunities - number of potential buyers of the product of competitors products
- Information about any orders for the product that are currently on hand or any orders that are imminent
- Number of sales of similar or competitive products over the past two years
- Expected growth of the market in the next five years - expected increase in product sales per year
- Major uses or potential customers - describe the market by how and why the consumer will use the product
- Reasons why anyone would buy the product
- Optional:* If an industrial or commercial product, list the major users by corporation name, as these prospective customers will be large, well-known organizations.
- Why the product will have wide market acceptance and why the product will be commercially viable (1-2 paragraphs)
- What the market is prepared to pay for the product (end user or retail price)
- Describe the market place to enable the reader to understand the types of customers, to form an opinion about the money-making opportunities for the product - obtain valid letters or intent, purchase orders and/or letters of specific interest in the product from prospective customers
- Brief list of the sources of the market information contained in the plan

## **COMPETITION**

Identify the competition and competitive products and the impact on the product sales.

- Two pages

- Names and locations of the major competitors
- Share of the market presently held by each competitor in terms of percent of the total market
- Major features and benefits of each competitor's products. Include a list or selling price of the competitor's products
- Comparison between the competitors' products and the client's product in terms of features, benefits, and selling price - highlight the advantages of the client's products over the competition
- Key strengths or major reasons for acceptance of each of the competitor's products by the market place
- Any particular weaknesses or problems that may be known about any of the competitors and/or their products
- Methods of distribution used by each of the competitors
- Vacancies or voids in the market not currently filled by the competition but will be filled by the product

### **SALES PLAN**

- Two pages
- Brief summary of the methods planned to sell the product to the market place
- Special procedures used by potential customers in the purchasing decisions for industrial or commercial application
- Description of the sales organization or approach planned for distributing the product to the market place
- Size of the internal sales organization required to sell the product - number of sales personnel and any plans to open branch offices
- Proposed methods or advertising and promoting the product
- Order planned to penetrate the market (be specific)
- Forecast of projected sales for the product over the next three years - if the first year is projected to be zero, extend the time to include three years of sales from the time the product is ready for the market

### **PRODUCT DEVELOPMENT**

- One page
- Brief description of the present status of product development
- Description of engineering work or development that needs to be completed before the product can be manufactured or marketed - can be divided into general phases or tasks
- Estimated amount of time to complete each phase in terms of man hours, days or months
- Any anticipated technical problems in the development which may require special research or scientific investigation - indicate if there will be significant risk that the anticipated technical problems may be difficult to solve

- Special engineering facilities or capital expenditures required to complete the development of the product – cost of special equipment or facilities should not be included
- Number and type of engineering personnel that will be required to complete the product development

## **PRODUCT MANUFACTURING**

- One page
- Description of the manufacturing process for the product (1-2 paragraphs) – labour intensive or automated
- Description of labour environment – including union strength or other collective bargaining organizations
- Any special or unique processes that will be required
- Brief description of plant size or production facilities – number of people to meet production levels in sales forecasts
- Description of special facilities required to manufacture or test product
- Identification of location for the proposed manufacturing facilities
- Time anticipated to acquire all necessary equipment and for set up of the manufacturing operations – delivery time of production equipment, special government approvals, hiring staff, etc.

## **FINANCIAL**

- An opening balance sheet, identifying sources of funding and how these will be applied.
- Personal net worth
- A personal Cash Flow Statement and Forecast. This records the amounts of cash and cash equivalents entering and leaving the business, to better understand how a company's operations are running, where the money is coming from, and how it is being spent. Identify how you will be able to support yourself until your business begins generating income. Include a detailed forecast for the first year.
- Start-up costs. Provide as much detail as possible, breaking the costs down item by item, and avoiding general descriptions. (Instead of listing a general budget for "Renovations," itemize what renovations are required, and specific costs for materials, labor, permits, etc.)
- Projected profits and losses
- A breakdown of all the expenses/operating costs, such as utilities, shipping, staff payroll, insurance and licensing, etc.