

FYI**FOR YOUR INFORMATION****SAMPLE BUSINESS PLANS**

Before starting on your business plan, it may be a good idea to see what a typical plan actually looks like. There are a couple of examples included with this book, but here are some Web sites that have some sample plans as well.

PaloAlto Software

Site contains sample business plans for 60 different businesses including a flower importer, software publisher, tennis pro shop, buffet restaurant, Internet & coffee shop, medical equipment company, and many others. (www.bplans.com)

Moot Corp Competition—The Super Bowl of Business Plan Competitions

A library of different business plans, each of which was a finalist in the Moot Corp competition for MBA students from all over the world. (www.businessplans.org/mootcorp.html)

SmallBusinessPoint Sample Business Plans

A sample of business plans from existing successful profitable companies and start-ups that are available for sale for a nominal fee. (www.smallbusinesspoint.com/BusinessPoint/SAMPLEPLANS.htm)

FIGURE 11.4 BUSINESS PLAN OUTLINE FOR A RETAIL OR SERVICE FIRM

- 1. LETTER OF TRANSMITTAL**
- 2. TITLE PAGE**
- 3. TABLE OF CONTENTS**
- 4. EXECUTIVE SUMMARY**

Fact Sheet

Company name _____

Location and telephone _____

Type of business and industry _____

Form of business organization _____

Principal product or service line _____

continued

Business Plan Outline (Retail or Service) — continued

Registered patents or trademarks (if any) _____

Names of founders/partners/shareholders _____

Length of time in business (if appropriate) _____

Current and/or projected market share _____

Funds invested in the business to date and their source _____

Additional financing required _____

Proposed terms and payback period _____

Total value or net worth of the business _____

NAMES OF BUSINESS ADVISORS

Legal counsel _____

Accountant _____

Banker _____

Other _____

5. BODY

A. Your Company and the Industry

THE COMPANY

Date business started _____

Location _____

Form of business organization _____

Founders and other key individuals _____

Principal products and services _____

Success the Business Has Achieved to Date

	<i>Estimated Total Annual Market (year)</i>		<i>Company Sales (year)</i>		<i>Market Share (%)</i>
Product/Service 1	\$ _____		\$ _____		_____
	_____	units	_____	units	_____
Product/Service 2	\$ _____		\$ _____		_____
(etc.)	_____	units	_____	units	_____

Future Goals and Plans

Principal Strategy for Achieving These Goals

Business Plan Outline (Retail or Service) — continued

THE INDUSTRY

Prospects for the Industry

Product/ Service	Total Estimated Industry Sales (\$)						
	Three Years Ago	Two Years Ago	Last Year	This Year	Next Year	In Two Years	In Three Years
1. _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
2. _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
3. _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
(etc.)							

General industry standards and performance requirements _____

General trends within the industry and factors likely to affect these trends _____

Major Industry Participants

Name and Location of Competitor	Estimated Sales	Estimated Market Share (%)	Principal Strengths and Weaknesses
_____	\$ _____	_____	_____
_____	\$ _____	_____	_____
_____	\$ _____	_____	_____

B. Product/Service Offering

DESCRIPTION OF PRINCIPAL PRODUCTS/SERVICES

Product/Service	Description	Unique Features	Stage of Development
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Patents or trademarks held or applied for _____

Franchise or licensing agreements and regulatory, certification, or other requirements _____

Discuss key success factors in your business and how you plan to exploit them _____

Outline your time frame and schedule for the implementation of your program _____

C. Market Analysis (repeat for each product/service offered)

TARGET MARKET AND CUSTOMERS

Describe your target market and prospective customers in terms of geography and/or customer type or profile _____

Describe the principal factors these consumers consider in the purchase of products like yours _____

Outline the principal benefit they will receive from patronizing your firm rather than one of your competitors _____

Describe how your target market might be broken down into segments, and outline how these segments have changed over time and how they might be expected to change in the future _____

Describe any weekly, monthly, seasonal, or other sales patterns _____

continued

Market Segment Description II _____

**Estimated Sales by Month
(\$ or units)**

<i>Product/Service Line</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>	<i>12</i>	<i>Total</i>
_____													_____
_____													_____
_____													_____
_____													_____
													Total _____

Market Segment Description III _____

**Estimated Sales by Month
(\$ or units)**

<i>Product/Service Line</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>	<i>12</i>	<i>Total</i>
_____													_____
_____													_____
_____													_____
_____													_____
													Total _____

(etc.)

D. Marketing Plan

PRICING

Principal Direct-Cost Elements of Your Operation

Material and supplies costs _____

Labour costs _____

Operating expenses and overhead _____

Discuss the prices you plan to charge, and typical gross and net margins for each of your product/service lines and how they compare with those of other firms _____

Describe your credit arrangements, returns policy, and other terms of sale _____

Business Plan Outline (Retail or Service) — continued

ADVERTISING AND PROMOTION PROGRAMS

<i>Media</i>	<i>Audience Size</i>	<i>Schedule</i>	<i>Frequency of Use</i> x	<i>Cost of a Single Occasion</i>	=	<i>Estimated Cost</i>
_____	_____	_____	_____	\$ _____		\$ _____
_____	_____	_____	_____	\$ _____		\$ _____
_____	_____	_____	_____	\$ _____		\$ _____
_____	_____	_____	_____	\$ _____		\$ _____
_____	_____	_____	_____	\$ _____		\$ _____
_____	_____	_____	_____	\$ _____		\$ _____
Total Estimated Cost						\$ _____

PUBLIC RELATIONS

Describe any plan to obtain free publicity or other sales promotion activity _____

Other service and warranty programs you plan to provide and their anticipated costs:

<i>Service</i>	<i>Estimated Cost</i>
_____	\$ _____
_____	_____
_____	_____
_____	_____

E. Operations Plan

Describe your location and its pros and cons:

Location _____

Advantages _____

Disadvantages _____

Traffic flows and patterns _____

Zoning requirements _____

Access _____

Parking _____

Visibility _____

Cost _____

Condition _____

Other _____

Indicate the major fixtures and equipment you will require:

<i>Type of Fixture or Equipment</i>	<i>Buy or Lease</i>	<i>Number Required</i>	<i>x</i>	<i>Unit Cost</i>	<i>=</i>	<i>Total Cost</i>
_____	_____	_____		\$ _____		\$ _____
_____	_____	_____		_____		_____
_____	_____	_____		_____		_____
_____	_____	_____		_____		_____
_____	_____	_____		_____		_____
_____	_____	_____		_____		_____
_____	_____	_____		_____		_____
				Total Cost	\$	_____

Develop a drawing or floor plan of the physical layout of your store or other facilities.

Where do you plan to buy your floor stock for resale?

<i>Name of Item</i>	<i>Name of Supplier</i>	<i>Price</i>	<i>Order Policy</i>	<i>Discounts Offered</i>	<i>Delivery Time</i>	<i>Freight Costs</i>	<i>Back-Order Policy</i>
_____	_____	\$ _____	_____	_____	_____	\$ _____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

Business Plan Outline (Retail or Service) — continued

Where do you plan to buy your operating supplies and materials?

<i>Name of Item</i>	<i>Name of Supplier</i>	<i>Price</i>	<i>Order Policy</i>	<i>Discounts Offered</i>	<i>Delivery Time</i>	<i>Freight Costs</i>	<i>Back-Order Policy</i>
_____	_____	\$ _____	_____	_____	_____	\$ _____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

Outline your inventory control procedures:

OPENING INVENTORY REQUIREMENTS

<i>Item</i>	<i>Number Required</i>	<i>x</i>	<i>Cost per Unit</i>	<i>=</i>	<i>Total Cost</i>
_____	\$ _____		\$ _____		_____
_____	_____		_____		_____
_____	_____		_____		_____
_____	_____		_____		_____
_____	_____		_____		_____
Total Initial Inventory					\$ _____

OUTLINE OF EMPLOYEE REQUIREMENTS

<i>Job</i>	<i>Qualification Required</i>	<i>Full- or Part-time</i>	<i>Job Description (yes or no)</i>	<i>Compensation</i>	<i>Benefits</i>
_____	_____	_____	_____	\$ _____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

PERMITS OR LICENCES REQUIRED AND NECESSARY INSPECTIONS

<i>Permit, Licences, or Necessary Inspection</i>	<i>Date Received or Completed</i>
_____	_____
_____	_____
_____	_____
_____	_____

F. Management Team

Develop an organization chart indicating who is responsible for each of the major areas of activity in your business; list each function and indicate the name of the individual who will perform that function and to whom he or she will be responsible:

<i>Function</i>	<i>Performed by:</i>	<i>Responsible to:</i>
Sales	_____	_____
Marketing	_____	_____
Operations management	_____	_____
Bookkeeping and accounting	_____	_____
Personnel management	_____	_____
_____	_____	_____

Present a brief résumé of each of these individuals _____

Outline the size and composition of your board of directors _____

Present a brief résumé of each individual on your board who is not part of your management team

Indicate the compensation received by each member of your management team and board of directors:

<i>Individual</i>	<i>Salary</i>	<i>Fees or Bonuses</i>	<i>Total Compensation</i>
_____	\$ _____	\$ _____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Describe the ownership structure of your business:

<i>Individual</i>	<i>Types of Shares Held</i>	<i>Percentage of Total Issued</i>	<i>Number of Shares Held</i> x	<i>Price Paid per Share</i> =	<i>Total</i>
_____	_____	_____	_____	\$ _____	\$ _____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Total Capitalization \$ _____

Indicate any options to acquire additional stock that may be held or could be earned by your management team or others _____

Business Plan Outline (Retail or Service) — continued

Provide complete information regarding your professional advisors:

<i>Advisor</i>	<i>Name</i>	<i>Address</i>	<i>Telephone</i>	<i>Fees or Retainers Paid</i>
Lawyer	_____	_____	_____	\$ _____
Accountant	_____	_____	_____	_____
Banker	_____	_____	_____	\$ _____
Other	_____	_____	_____	\$ _____

G. Implementation Schedule

Lay out a schedule of milestones or significant events for the implementation of your business and a timetable for completion; indicate who will be responsible for the completion of each task:

<i>Milestone</i>	<i>Tasks Required to Accomplish</i>	<i>Who Is Responsible</i>	<i>Scheduled Completion</i>
_____	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
_____	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
_____	_____	_____	_____
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____

Describe the risks your business may be faced with in implementing your plan, and the risk for any prospective investor _____

H. Financial Plan**START-UP COSTS**

If yours is a new venture, indicate your estimate of the start-up financial requirements of your business:

ESTIMATED MONTHLY EXPENSES

Item	Column 1 Your Estimate of Monthly Expenses Based on Sales of \$_____ Per Year	Column 2 Number of Months of Cash Required to Cover Expenses*	Column 3 Estimated Cash Required to Start Business (Column 1 x 2)*
Salary of Owner-Manager	\$0	2	\$0
All Other Salaries and Wages	\$0	3	\$0
Rent	\$0	3	\$0
Advertising	\$0	3	\$0
Delivery Expense/Transportation	\$0	3	\$0
Supplies	\$0	3	\$0
Telephone, Fax, Internet Service	\$0	3	\$0
Other Utilities	\$0	3	\$0
Insurance	\$0	3	\$0
Taxes Including Employment Insurance	\$0	4	\$0
Interest	\$0	3	\$0
Maintenance	\$0	3	\$0
Legal and Other Professional Fees	\$0	3	\$0
Miscellaneous	\$0	3	\$0
Total Cash Requirements for Monthly Recurring Expenses: (A)			<u>\$0</u>

START-UP COSTS YOU ONLY HAVE TO PAY ONCE

	Cash Required to Start Business
Capital Costs	
Fixtures and Equipment	\$0
Decorating and Remodelling	\$0
Installation of Fixtures and Equipment	\$0
Starting Inventory	\$0
Soft Costs	
Deposits with Utilities	\$0
Legal and Other Professional Fees	\$0
Licences and Permits	\$0
Advertising and Promotion for Opening	\$0
Accounts Receivable	\$0
Cash	\$0
Miscellaneous	\$0
Total One-Time Cash Requirements: (B)	<u>\$0</u>
TOTAL ESTIMATED CASH REQUIRED TO START BUSINESS: (A) + (B)	<u>\$0</u>

* These figures may be typical for one kind of business. You will have to decide how many months to allow for your business to offset expected shortages of cash flow.

continued

Business Plan Outline (Retail or Service) — continued

PRESENT FINANCIAL STRUCTURE

Provide an overview of the current financial structure of your business and the proportion of your total start-up requirements obtained to date:

<i>Source of Funds</i>	<i>Amount</i>	<i>Debt or Equity</i>	<i>Repayment Schedule</i>
Self	\$ _____	_____	_____
Friends, neighbours, relatives	_____	_____	_____
Other private investors	_____	_____	_____
Banks, savings and loans, credit unions, and other financial institutions	_____	_____	_____
Mortgage and insurance companies	_____	_____	_____
Credit from suppliers	_____	_____	_____
Government grants and loans	_____	_____	_____
Other sources:	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Additional Funds Required

Indicate the additional funds required and the shares, return on investment, collateral, or other security you are prepared to provide to the prospective lender or investor

Current Financial Statements

If your business is already in operation, provide an income statement and a balance sheet for the current year to date and the previous two years; the following forms will serve as guidelines indicating the basic information to provide for each year:

INCOME STATEMENT FOR
[Name of Company]
for the period ending [date]

Gross sales	\$ _____	
Less: Cash discounts	_____	
Net Sales		\$ _____ (A)
Less: Cost of goods sold:		
Beginning inventory	\$ _____	
Plus: Net purchases	_____	
Total goods available for sale	_____	
Less: Ending inventory	_____	
Cost of Goods Sold		_____ (B)
Gross Margin (or Profit) (C = A – B)		\$ _____ (C)
Less: Operating expenses:		
Owners' salaries	\$ _____	
Employees' wages and salaries	_____	
Employee benefits	_____	
Rent	_____	
Utilities (heat, light, water, power)	_____	
Telephone	_____	
Supplies and postage	_____	
Repairs and maintenance	_____	
Advertising and promotion	_____	
Vehicle expense	_____	
Delivery expense	_____	
Taxes and licences	_____	
Depreciation or Capital Cost Allowance	_____	
Bad debt allowance	_____	
Interest	_____	
Travel	_____	
Insurance	_____	
Legal and accounting fees	_____	
Other expenses	_____	
Total Operating Expenses		_____ (D)
Net Operating Profit (Loss) (E = C – D)		_____ (E)
Income Tax (estimated)		_____ (F)
Net Profit (Loss) after Income Tax (G = E – F)		_____ (G)

continued

Business Plan Outline (Retail or Service) — continued

BALANCE SHEET FOR
[Name of Company]
as of [date]

ASSETS

Current Assets

Cash	\$	_____	
Accounts receivable		_____	
Inventory		_____	
Other current assets		_____	
Total current assets			_____ (A)

Fixed Assets

Land and buildings	\$	_____	
Furniture and fixtures		_____	
Equipment		_____	
Trucks and automobiles		_____	
Other fixed assets		_____	
Total fixed assets			_____ (B)

Total Assets (C = A + B)

\$ _____ (C)

LIABILITIES

Current Liabilities (debt due within 12 months)

Accounts payable	\$	_____	
Bank loans/other loans		_____	
Taxes owed		_____	
Total current liabilities			_____ (D)

Long-Term Liabilities

Notes payable (due after 1 year)		_____	
Total long-term liabilities			_____ (E)

Total Liabilities (F = D + E)

\$ _____ (F)

NET WORTH (CAPITAL)

Total Net Worth (G = C - F)

_____ **(G)**

Total Liabilities and Net Worth (H = F + G)

\$ _____ (H)

FINANCIAL PROJECTIONS

Develop profit and loss forecasts, projected cash flow statements, and pro forma balance sheets for your business. Each of these statements should be presented for the following time frames:

- **Pro forma profit and loss statements** Monthly for the next year of operation and quarterly or annually for another two to four years
- **Cash flow forecasts** Monthly for the next year of operation and annually for another two years
- **Pro forma balance sheets** Annually for each of the next three to five years

The following forms will serve as guidelines to be followed in developing and presenting this information.

PRO FORMA INCOME STATEMENT

FOR THE PERIOD ENDING (DATE) _____

	MONTH												
	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL
1. Gross Sales													
2. Less: Cash Discounts													
A. NET SALES	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost of Goods Sold:													
3. Beginning Inventory													
4. Plus: Net Purchases													
5. Total Available for Sale													
6. Less: Ending Inventory													
B. COST OF GOODS SOLD	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
C. GROSS MARGIN (C=A-B)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Less: Variable Expenses													
7. Owner's Salary													
8. Employees' Wages and Salaries													
9. Supplies and Postage													
10. Advertising and Promotion													
11. Delivery Expense													
12. Bad Debt Expense													
13. Travel													
14. Legal and Accounting Fees													
15. Vehicle Expense													
16. Miscellaneous Expenses													
D. TOTAL VARIABLE EXPENSES	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Less: Fixed Expenses													
17. Rent													
18. Utilities (heat, light, water, power)													
19. Telephone													
20. Taxes and Licences													
21. Depreciation or Capital Cost													
22. Interest													
23. Insurance													
24. Other Fixed Expenses													
E. TOTAL FIXED EXPENSES	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
F. TOTAL OPERATING EXPENSES (F=D+E)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
G. NET OPERATING PROFIT (LOSS) (G=C-F)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
H. INCOME TAXES (estimated)													
I. NET PROFIT (LOSS) AFTER INCOME TAX (I=G-H)													

continued

ESTIMATED CASH FLOW FORECAST

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Year 1 TOTAL	Year 2 TOTAL	Year 3 TOTAL
Cash Flow from Operations (during month)															
1. Cash Sales															
2. Payments for Credit Sales															
3. Investment Income															
4. Other Cash Income															
A. TOTAL CASH FLOW ON HAND	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Less Expenses Paid (during month) ¹															
5. Inventory or New Material															
6. Owners' Salaries															
7. Employees' Wages and Salaries															
8. Supplies and Postage															
9. Advertising and Promotion															
10. Delivery Expense															
11. Travel															
12. Legal and Accounting Fees															
13. Vehicle Expense															
14. Maintenance Expense															
15. Rent															
16. Utilities															
17. Telephone															
18. Taxes and Licences															
19. Interest Payments															
20. Insurance															
21. Other Cash Expenses															
B. TOTAL EXPENDITURES	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Capital															
Purchase of Fixed Assets															
Sale of Fixed Assets															
C. CHANGE IN CASH FROM PURCHASE OR SALE OF ASSETS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financing															
Payment of Principal of Loan															
Inflow of Cash from Bank Loan															
Issuance of Equity Positions															
Repurchase of Outstanding Equity															
D. CHANGE IN CASH FROM FINANCING	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
E. INCREASE (DECREASE) IN CASH	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
F. CASH AT BEGINNING OF PERIOD	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
G. CASH AT END OF PERIOD	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
MEET MINIMUM CASH BALANCE	ACCEPTABLE	ACCEPTABLE	ACCEPTABLE	ACCEPTABLE	ACCEPTABLE	ACCEPTABLE	ACCEPTABLE	ACCEPTABLE	ACCEPTABLE	ACCEPTABLE	ACCEPTABLE	ACCEPTABLE	ACCEPTABLE	ACCEPTABLE	ACCEPTABLE

Cash Flow from Operations (during month)

- 1. Cash Sales
- 2. Payments for Credit Sales
- 3. Investment Income
- 4. Other Cash Income

A. TOTAL CASH FLOW ON HAND

- Less Expenses Paid (during month)¹
- 5. Inventory or New Material
- 6. Owners' Salaries
- 7. Employees' Wages and Salaries
- 8. Supplies and Postage
- 9. Advertising and Promotion
- 10. Delivery Expense
- 11. Travel
- 12. Legal and Accounting Fees
- 13. Vehicle Expense
- 14. Maintenance Expense
- 15. Rent
- 16. Utilities
- 17. Telephone
- 18. Taxes and Licences
- 19. Interest Payments
- 20. Insurance
- 21. Other Cash Expenses

B. TOTAL EXPENDITURES

- Capital
- Purchase of Fixed Assets
- Sale of Fixed Assets

C. CHANGE IN CASH FROM PURCHASE OR SALE OF ASSETS

- Financing
- Payment of Principal of Loan
- Inflow of Cash from Bank Loan
- Issuance of Equity Positions
- Repurchase of Outstanding Equity

D. CHANGE IN CASH FROM FINANCING

E. INCREASE (DECREASE) IN CASH

F. CASH AT BEGINNING OF PERIOD

G. CASH AT END OF PERIOD

MEET MINIMUM CASH BALANCE

1. Expenses and other payments should be entered as negative (-) numbers.
 2. This entry should be the same amount as for the beginning of the year. All other rows will be the total for the entire year.
 3. These entries should be the same as the ending cash balance from the previous period.

