

YOUR BUSINESS PLAN

A written business plan is the most important thing you can do before beginning a business. Existing businesses should continue to update their plans annually. The following information and questions will help in preparing a sound business plan.

A business plan is a blueprint for your business, today and as it grows. A thoroughly researched and well thought out business plan will clarify goals, focus your energy, direct your work, and measure your progress.

Planning for your business is important. As you draw up a business plan, there are general questions you need to ask. Even though not every question will apply to you, you should consider each question carefully.

Before beginning a business plan, determine if your personal goals meet your business goals. Consider whether your personal goals, resources, and strengths are compatible with your business goals. Preparing a business plan will also allow you to evaluate your weaknesses, identify strengths and opportunities, and allow you to take advantage of market opportunities. The plan will also evaluate your commitment to starting a small business.

The business plan does not need to be long, probably not more than 10 pages, plus your financial statements.

PLAN SUMMARY

The plan summary is a one or two page summary describing your business to prospective lenders and investors. A well developed plan will help convince lenders and investors to examine your business further. Even though a Plan Summary appears first in your business plan, you should write it last.

Your Plan Summary should include:

1. A brief description of the company's history.
2. Description of products and services.
3. How you intend to make the product.
4. Management.

5. What it will take to make a profit - a break-even analysis.
6. How much money you are seeking (if applicable).
7. How you will repay the money (if applicable).

PURPOSE OF THE BUSINESS

1. What you want to accomplish.
2. Mission Statement.
3. Description of the business.

PRODUCT & SERVICE DEFINED

1. The market that needs your product or service.
2. A complete description of your product or service.
3. The cost and profit of each product and service. Describe the break-even point.
4. The major sources of competition.
5. The legal and regulatory influences affecting your product or service.
6. Proprietary features- should your product or service have a patent or trademark?
7. Opportunities to better develop your product or service.

MARKET ANALYSIS

1. Market research - size of the market and how long has it existed. Barriers to your business entry and growth.
2. Target Market - who will buy your product or service?
3. Where will most of your sales occur?
4. How much do you expect to sell.

MARKET STRATEGY

1. Define your advantage - what is the difference between your product or service and that of the competition?
2. Evaluate the competition - the size of your competition, market maturity.
3. Pricing strategy - is your price competitive

4. Distribution channels - which will you use.
5. Promotion - how you tell others of your product or service.

MANAGEMENT

1. Identify your organizational structure and key employees.
2. Provide a resume for each person.
3. Identify management skills.
4. Professional services.
5. Identify any technical or specialty services.

SCHEDULE OF EVENTS

1. List critical dates
2. Make short term goals.
3. Project long term goals.
4. Identify barriers or risks - solutions.

FINANCIAL INFORMATION

1. Financial statements
2. List your start-up expenses.
3. Funding needs.
4. Equity - owner's investment
5. Financing.
6. Monthly cash flow analysis - how you will receive payment for sales.
7. sales forecast.
8. Income projection.
9. Operation Expenses.
10. Methods of financial reporting you will use.
11. Break-even analysis.
12. Balance sheet -Assets and Liabilities for the business.

The following information sets forth the financial requirements that are expected to be included in a business plan and also as part of a financing package, whether funded by USDA or another lender.