

## **OUTLINE FOR A BUSINESS PLAN**

- I. Cover Letter
  - a) Dollar amount requested
  - b) Terms and timing of loan request
  - c) Type and price of securities (collateral)
- II. Summary
  - a) Business description
    - i. Name
    - ii. Location and plant description
    - iii. Product
    - iv. Market and competition
    - v. Management goals
- III. Business goals
- IV. Summary of financial needs and application of funds
- V. Earnings projections and potential return to investors
- VI. Market Analysis
  - a) Description of total market
  - b) Industry trends
  - c) Target market
  - d) Competition
- VII. Products or Services
  - a) Description of product line
  - b) Proprietary position: patents, copyrights and legal and technical Considerations
  - c) Comparison to competitors' products
- VIII. Manufacturing Process (if applicable)
  - a) Materials
  - b) Sources of supply
  - c) Production methods
- X. Marketing Strategy

- a. Overall strategy
- b. Pricing Policy
- c. Sales terms
- d. Method of selling, distributing and servicing products

#### XI. Management Plan

- a) Form of business organization
- b) Board of directors composition
- c) Officers: organization chart and responsibilities
- d) Resumes of key personnel
- e) Staffing plan/number of employees
- f) Facilities plan/planned capital improvements
- g) Operating plan/schedule of upcoming work for the next one to two years

#### XII. Financial Data

- a. Financial history (five years to present)
  - b. Three-year financial projections by month.
    - 1. Profit and loss statements
    - 2. Balance sheets
    - 3. Cash flow charts
    - 4. Capital expenditures estimates
- A. Explanations of projections
- B. Key business ratios
- C. Explanation of use and effect of new funds
- D. Potential return to investors compared to competitors and industry in general