

**Business Plan Basics**

Please use our format below and limit your business plan to 5 pages maximum. Focus on main points in bullet form using your own words. Proofread to ensure proper grammar and spelling.

**The Business Plan Outline by Section**

**Executive Summary** (One Page)

Briefly summarize the highlights and most significant issues in your plan. It tells the reader who you are, what you are planning, why you are planning it, how you will operate your business, and when you will do it. Include:

* Name and Location of the Business.
* Type of Ownership (sole proprietor, partnership, corp., LLC).
* Ownership Breakdown (outline who the owners are and the percentage ownership each has).
* Nature of the business—brief statement on what product or service your business will offer.
* Type of business (retail, service, manufacturing, etc.).
* Reasons you are going/went into business - the "need/want" your business fulfills.
* Reasons you will succeed and risks to success.
* Founders and other key people involved.
* How many employees you will need and the timeline for hiring.
* Location - description of the facility occupied by the business, any special features it might have and lease terms, if applicable. If retail, spend some time describing the advantages/disadvantages of your location.
* Timeline—briefly outline the timeline if you are a start-up phase and when you will be fully operational.
* Loan Request – How much you’re requesting from UMLF and overall capital needs.

**Use of Funds** (One Page)

Please list out what the loan will be used for and why each expenditure is needed. Also list Date or Order of expenditure (i.e. “First”, by June \_\_\_, etc) and the rank the Importance (1- Most to 5-Least). This section should match the Use of Funds form.

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| --- | --- | --- | --- | --- |
| Amount | Description | Reason | Needed by | Importance |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

Please provide any additional information on why you chose specific equipment and/or purchases unique to your business. If your capital needs exceed the loan amount requested, describe this need and your financing strategy.

**Business Plan Details** (Two to Three Pages)

**Product or Service**

What will you sell? Where will you sell it? How much will you charge? Include:

* Products/services offered - if unique in any way, be sure the reader understands what the product or service is and what its use or application is. Include photographs, drawings, brochures, etc., only when they will be helpful to the reader.
* Do you wholesale or retail or both? Please specify.
* Pricing strategy: how did you determine your price? If selling a product what is your cost and what is your markup?
* What is the range of prices being charge for this service and where do you fit in that range?
* What is needed to manufacture your product or provide your service?
* Comparison of similar products/services on the market.

**Competition**

* Competitors - (that you will face for each product/service) name, location, size, market share.
* What is your competitive strategy - price, location, promotion?
* Comparisons to competitors (strengths and weaknesses) - length of time in business, sales volume, size and number of location, employees, product/market niches, etc.

**Market Assessment**

This section answers the questions: Who is my customer and where are they? Include:

* Is there an existing market for your business or is it a new concept?
* What is the need, want, or interest in the community you would like to meet? Why will buyers purchase your products or services?
* If selling to the consumer what are their demographics including age range, income range, where are they located geographically and is your produce/service an impulse buy or a planned purchase?
* If selling to business what industry or industries are most likely to purchase from you?
* Can you define them by annual sales and/or number of employees?

**Marketing, Advertising and Sales**

This section answers the question: How will potential customers learn about your product(s)/service and how you’ll sell? Reading this section will inform the reader that your Sales/Revenue and Marketing cost projections are realistic. Include:

* Describe current market and selling processes and customer base, if any.
* Method to identify/attract prospective customers.
* Methods of advertising including publications, types of social media.
* Advertising message and promotional strategies.
* Method of distribution - direct, dealer network, online, other.
* Describe your direct experience in these areas, sales personnel and outside advisors, if any.
* Costs of marketing and selling the product/service, including % of revenues.

**Management, Operations and Administration**

This section informs the reader that the owners and key managers are capable of running the proposed business successfully. Include:

* Owners and key managers and a brief background of each. Emphasize the talents, skills, abilities, etc. they bring to the business that will make it successful.
* Members of your formal professional team - lawyer, accountant, banker, etc.
* Members of your informal team which will provide a safety-net should you need help. This can include family members with professional backgrounds who are willing to help, other business owners who are mentoring you etc.
* Address how you will manage the bookkeeping/accounting functions associated with running your business.

**Cash Flow Forecast**

Notes to the Forecast - This section explains how you determined the numbers on your cash flow forecast and should include:

* What is an average sale? Breakout wholesale and retail if that applies.
* If you are a restaurant use separate lines for breakfast, lunch, dinner and alcohol sales.
* How many customers per month. Be sure and break out by sales category. Also state what expenses.
* you have actual bids for, what is estimated and how you determined the estimate.
* What terms do you give your customers?
* What terms do you get from your suppliers?
* Describe major purchases or expenses; differentiate between fixed and variable costs.
* Incorporate expenditures from “Use of Funds” into the cash flow forecast.

If you are an existing business be sure to account for all expenses from your profit & loss on your cash flow forecast. Describe the progression between actual revenues and expenses to forecasts. Describe any adjustments required to your plan and forecast should you receive less than the full loan amount requested, or were granted the loan funds over an extended period of time.