



Business Plan Guide

BUSINESS PLAN GUIDE

Small business is vitally important to the economy. Community Futures Alberta Southwest recognizes this by assisting in the development of small business. This guide is one example of the assistance that we provide. Keep in mind that this guide can be utilized, as general format for what should be included in your own business plan (which is generally suggested), or once completed, the representation of your business plan.

Please try to fill in all of the information as completely as possible. Please note that the information that is requested in this form is generally required when seeking financial assistance for your business. In addition, the more complete your business profile, the better CFABSW staff can assist you with your particular needs.

BUSINESS PROFILE:

Is this a new business, expansion of an existing business or an acquisition of an existing business?(please explain fully)

Business name: _____

Please describe the type of business that you are interested in starting or are currently involved in:

For existing businesses please indicate the following:

Date Business was established: _____

For all types of business applications please indicate the following:

Form of business ownership: _____

- | | |
|--|-----------------------------|
| <input type="checkbox"/> Sole proprietorship | Date of registration: _____ |
| <input type="checkbox"/> Partnership | Date of registration: _____ |
| <input type="checkbox"/> Corporation | Date of registration: _____ |

Who are or will be the principals/owners of the business, and what percentage of equity does each own:

Name: _____ % of ownership _____
Name: _____ % of ownership _____
Name: _____ % of ownership _____
Name: _____ % of ownership _____

INDIVIDUAL INVENTORY

Please indicate what your involvement in your business will be, or what it is currently:
(For example what role you will play, and whether it is full-time, part-time, or seasonal)

Have you ever been a manager, owner of a small business or had experience in this type of business?

Will this business be your only source of income? Do you have a secondary source of income in your family, if so please describe:

If applicable, does your spouse support this venture?

MARKET ANALYSIS

Your customers:

Who are they? Age, sex, income?

Where do your customers live & shop?

How often do they buy? Seasonal?

Cash or Credit? Can you afford to carry accounts receivable?

What is your proposed market area-what is the population of this market? (Please indicate how you arrived at this number)

What is the number of potential customers that will purchase from you?

You must realize that some of your potential customers will not purchase your product or service.

1. Number of potential customers in your area (from previous question) _____
2. Percentage of customers that will purchase your product or service: _____%
3. Your potential customers (#1 X #2) = _____

If this formula does not apply, please describe your potential customers-who will be purchasing your product or service:

Your competition

How many competitors do you have, how big are they, how old, how strong?

What percentage of the market do they have? How far away are they? What advantages do they have? What weaknesses do they have?

What advantages do you have with your business? What percentage of the market will you get?

Does your business possess any weaknesses or risks? If so, how will you overcome these?

Why do you think that your business will be a success?

Your Products or Service

Is it unique? Better designed or higher quality?

Is there a need for your product or service?

What will be your return policy? Will you have to offer a guarantee?

Will you have to stock parts for service?

Pricing

Do you know what price you will have to charge to cover your costs?

Are your prices competitive?

How important is a low price? Is service more important?

Will you have to give discounts for cash, volume, distributors, salespeople? If so, what will discounts do to your mark up?

Must you include a delivery cost in your price?

Advertising

How much is normal for your product or service?

What media? How often? Seasonal?

Do you have a logo?

Is any free publicity available?

Buying

How much of each product will you buy? From whom? Is this the best deal you could find?

Is there a volume discount? Can you return unsold merchandise?

Do you have a stock control plan to avoid overstocks, understocks, and out of stocks? Please describe your intended plan:

Have you established a line of credit with each supplier? How must you pay: COD, 30 days or 60 days?

If your business requires the use of supplies/raw materials, state what the sources of these will be. List the name of any other suppliers that will be providing your business with products or supplies necessary for your operation.

Supply/Product/Raw Material	Supplier Name/Source

Do you have alternative suppliers if your primary source is disrupted? Who are they?

Location

Please describe in full detail the planned location of your business, or current location of your existing business including the address, city, postal code, & phone number:

What features make this a good location for your business? Are there other nearby businesses?

Zoning

Does the present zoning and future zoning allow for the operation for your proposed type of business?

If it has to be rezoned for your type of business-what time span is involved and at what cost will the rezoning be performed?

Building

What is the outside and inside appearance of your proposed building? Keep in mind what the layout will be, the lighting, heating, floors, acoustics, comfort, waste disposal, storage parking, landscape, snow removal.

Prepare visual aids to show your location-It is often easier to describe your location to an outsider through the use of maps, pictures, and a diagram of the layout.

- ◆ Take pictures of your proposed building and any businesses surrounding it.
- ◆ On a copy of a map of the area, indicate the location of your proposed business, and any major reference points.
- ◆ Draw an accurate diagram of your floor space. Indicate the location of equipment, furniture, and fixtures.

Lease

Has the lease agreement been checked by a lawyer? Is the length of the lease too short or too long? Are there any options available?

What are you responsible for in the lease? What is the landlord responsible for?

Approvals

Will government regulatory bodies approve your use of the building?

Will there be any problems in obtaining approval from zoning, health, fire marshal, transportation, environment, or labor regulatory bodies?

Utilities

What do the power, water, sewer and gas supplies cost?

Are the utilities adequate for your business? If not, how much will it cost to upgrade them to your requirements?

Taxes

Have you determined what the present and future assessment for property and business taxes will be for your business?

Restrictions

Are there any legal easements on your property?

Can you grow in physical size?

Insurance

What insurance coverage will you have in regard to fire, theft, public liability, business interruptions? What is the cost associated with insurance coverage?

If there is no sprinkler in the building, can you still get insurance coverage? What insurance rating is on the building?

Labour

How many employees will you need? _____

Will they have to be skilled, or can they be unskilled?

What wages will you offer? What are competitive wage rates in the area?

Will they be full-time, part-time, seasonal? What hours will you have them working?

How will you find new employees, and how will you train them?

Equipment

List all equipment, fixtures, and furniture required, whether the item is new or used, and the cost associated with each item:

Item	New or Used	Cost-Including GST

Do any of the items have additional installation costs? If so, how much?

Are there any maintenance costs associated with any of the equipment? If so, how much?

For any applicable equipment, please indicate terms of sale and any guarantees:

Financing

Please indicate how the bookkeeping/payroll will be addressed?

How much money do you want to borrow? _____

Specifically, what will your loan be used for, and what are the amounts associated with each item:

Item	Cost

How much of your own funds will you be investing, or have you invested in your business?

How much do you think that you can afford to pay back each month? What would you like the term of your loan to be?

PERSONAL FINANCIAL STATEMENT

ASSETS	VALUE	LIABILITIES	VALUE
REAL ESTATE		MORTGAGES	
CASH ON HAND		BANK LOANS	
CASH ON DEPOSIT			
STOCKS? BONDS?			
VEHICLES (Make and model)		FINANCE COMPANIES	
		CREDIT CARDS	
RECREATIONAL EQUIPMENT			
		RENT	
		OTHER LIABILITIES	
HOUSEHOLD & PERSONAL EFFECTS			
OTHER ASSETS/INVSTMNTS			
EQUITY IN BUSINESS			
TOTAL	(a)	TOTAL	(b)

NET WORTH\$ _____ (Calculated by taking total assets (a) and subtracting total liabilities (b).

I certify that the information on this statement covering my income, assets, and liabilities is a true statement of my affairs as at this date and acknowledge that CFABSW, in granting advances, relies on the accuracy of the information provided.

I have attempted to find traditional financing elsewhere.

Your signature provides us the necessary authorization to check with your creditors and Equifax:

DATE: _____

SIGNATURE: _____

***PLEASE NOTE: IF YOU ARE USING THIS GUIDE TO APPLY FOR FUNDING WITH CFABSW PLEASE INCLUDE COPIES OF TWO PIECES OF IDENTIFICATION - ONE BEING PICTURE IDENTIFICATION.**

DETAILS ON ASSETS

◆ For any applicable assets please indicate the following:

ASSET-(ex. cash)	BANK	BRANCH LOCATION	ACCOUNT NUMBER

◆ For any real estate, or mortgages please indicate the following:

LEGAL DESCRIPTION CIVIC ADDRESS	YEAR PURCHASED	PRICE PAID	ESTIMATED VALUE	BALANCE OUTSTANDING

DETAILS ON LIABILITIES

◆ For any bank loans please indicate the following:

	Loan 1	Loan 2	Loan 3
Purpose of Loan			
Date Loan Obtained			
Amount of Loan			
Name of Lender			
Location of Lender			
Monthly Payment			
Collateral Utilized			
Balance Owing			

◆ For any other liabilities please indicate the following information.

List any credit cards, & other liabilities	LIABILITY-SPECIFY	LIABILITY-SPECIFY	LIABILITY-SPECIFY
To Whom:			
Monthly Payment:			
Balance Outstanding:			

PERSONAL INFORMATION

Full Name (including middle name):	
Date of Birth: (M/D/Y)	S.I.N.#
Marital Status:	# of Dependents (Excl. Spouse):
Full Name of Spouse: (if applicable)	
Spouse Date of Birth:	Spouse S.I.N.#
Present Address: Street or Box#	
Town or City:	Postal Code:
Number of years at current address:	Rent or Own:
Complete Previous address (if less than 3 years at current):	
Telephone (Residence):	Telephone (Bus):
Life Insurance Policy Value:	Beneficiary:
Have you ever declared bankruptcy?	Trustee Name:
If Yes, Are you a discharged bankrupt	If so, what was the discharge date

Please list your spouse's current earnings per year (if applicable):

Please list any other sources of income that you may have (such as dividends, rental income, royalties etc.):

Please indicate if you are currently eligible or receiving unemployment insurance. If you are receiving a benefit please list what amount.

Please indicate if you have provided any guarantees on debts of others. If so, how much have you guaranteed:

PERSONAL RESUME

- ◆ For this section you may include a copy of your current resume, or indicate the following information:

Please list your previous education and any relevant training that you have taken:

YEAR	EDUCATION/TYPE OF TRAINING	ORGANIZATION or INSTITUTION

Please list the following in regard to employment:

- ◆ If you have been employed less than two years by your current employer please list your previous employment position as well.

POSITION	ORGANIZATION-NAME, ADDRESS & PHONE	TIME PERIOD	MAIN DUTY	SALARY, WAGES, OR COMMISSION

CASH FLOW WORKSHEET INSTRUCTIONS

When completing your cash flow projections think in terms of any deposits you make as being your sales, and any cheques you would be writing as expenses for each month in the year. The following descriptions should clarify what amount you should be entering for each section.

REVENUE-Cash Receipts

Cash Sales Receipts: This figure should include your cash sales and any accounts receivable you receive on a month by month basis. A cash sales and accounts receivable worksheet has been included for you to determine this amount.

Accounts Receivable: This amount should be a total of all accounts receivable that were actually collected for that particular month.

Other Cash Receipts: This figure should include all other cash receipts not included under cash sales receipts, and accounts receivable.

Total Cash Receipts: This should be the total amount of cash sales receipts, accounts receivable and all other cash receipts.

Less Cost of Goods Sold: This figure represents how much it costs you to get the product to your place of business. This can be calculated as a percentage of your sales, or if you have a purchasing pattern you should enter the amount in the month the actual expense occurs.

Net Revenue: This figure is the Total Cash Receipts figure minus the Cost of Goods Sold.

EXPENSES-Cash Disbursements

Rental/Lease Expenses: This is the amount of money that you must pay each month to rent or lease the premises to carry on your business. It can be a storefront, warehouse or a personal residence.

Salary/Wage Expenses: This is amount of wages and benefits paid to all employees per month and should include holiday pay, EI premiums, CPP premiums, group insurance etc. as applicable.

Owner's Salary: This is amount of money that will be taken out of the business by the owner including a management salary, any drawings etc.

Loan/Mortgage Payments: This figure should include any loans or mortgages associated with the start-up and operation of the business and should include the principal as well as the interest paid on a month by month basis.

Telephone Expenses: This figure should include any expenses associated with telephone, cell phone, pager, fax and Internet costs for the month.

Utilities: This amount should include all expenses relating to heat, light and power costs.

Professional Fees: This is any money that you pay for professional services such as bookkeeper/accountant fees, and lawyer expenses.

Advertising/ Promotion Expenses: This figure should include any print or media advertising expenses incurred for the month such as for newspaper ads, radio, television, yellow page ads, and any other promotional expenses such as tradeshow, promotional lunches, promotional freebee items.

Lease/Rental Payments: This figure should include all lease or rent payments related to the cost of leasing or renting any equipment or vehicles utilized in your business.

Business taxes, fees, & licenses: This figure relates to any expenses incurred for business licensing and fees including municipal business license, federal or provincial licensing and any other association licenses. Fees should include charges for memberships, loan and service fees. Business taxes should include the amount of business taxes paid, and should be accounted for in the month they actually occur.

Insurance: This amount should include any business or personal insurance including fire insurance, liability insurance, life insurance, loan insurance etc.

Bank Charges: Should include all banking charges including service charges, overdraft charges, Visa/Mastercard/Interact commissions, etc. This amount should not include bank loan interest, which is already covered under loan payments.

Transportation & Travel: This will include all expenses relating to the use of vehicles to carry on your business including, fuel, oil, repairs, and insurance. It should also include any costs associated with travel for purposes relating to the business, such as meals and accommodation.

Office/Shop Supplies: All supplies purchased for business purposes including stationary, janitorial supplies, paper supplies, clothing etc., and excluding the product you sell.

Property Taxes: This amount should be the relevant property taxes paid relating to business usage, and should be allocated to the appropriate time frame it is deducted in.

Purchase of Fixed Assets: This category should reflect any purchases of fixed assets relating to the business such as computer equipment, furniture etc.

Freight Expenses: This amount relates to any costs associated with shipping or receiving supplies or products for use in the business.

All Other Operating Expenses: This relates to all other expenses not already categorized and would include things such as postage.

Contingencies 10%: This section is reserved for unplanned expenses. No matter how hard you try to plan for everything there is always something that you don't count on or miss. The way to account for this expense is to add together all expenses listed above this item and take ten percent of that total.

Total Expenses: This is the total amount of all cash paid out.

Income Tax Payments: This should include all amounts paid for income taxes relating to the business.

Surplus/(Deficit): This is Net Revenue minus Total Expenses. This number will indicate how much you have made or lost during the current month.

NOTE: If you have any large expense categories not accounted for on this particular cash flow, you should amend your cash flow statement to reflect the appropriate expense categories.

