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Business Name

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Date

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Owner's Name(s)

Telephone:

Home: \_\_\_\_\_

Email: \_\_\_\_\_

Work: \_\_\_\_\_

Cell: \_\_\_\_\_

Fax: \_\_\_\_\_



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**Community Futures Lesser Slave Lake Region**  
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**BUSINESS PLAN TEMPLATE**

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# BUSINESS PLAN TEMPLATE

## What is a Business Plan?

A business plan helps you to determine if your business is likely to be viable, and focuses your efforts to improve your chances of success. As you prepare your plan you will get the answers to key questions such as:

- Is my business viable?
- What are the strengths and weaknesses of my business?
- Who are my customers and how do I plan to get them to buy from me?
- Who are my competitors?
- What skills will I need to properly run this business?

**Business plans are for YOU!** They are very effective in making your business more successful and reduce the chances of failure. Developing a business plan will help you think out how you intend to reach your goals. Your business will have more focus and direction simply by having a plan. Business planning will help you assess your business idea and work out problems before they occur. That is why banks, investors, and lenders like Community Futures require them.

## How do I use this Business Plan package?

Do not be dismayed by the size of this package. It may seem large, but it is designed to guide you through the creation of your business plan by turning it into a series of bite-sized pieces.

Each section has several parts. Each part contains a list of questions and examples. Your business plan is made up of the answers to those questions. This business plan package has fill-in-the-blanks pages for each section.

You may be asking where do I get the answers to the questions? The answer is market research. The answers to the questions are not just guesses; they must be supported by facts. Remember that information gathered for the Visioning section of the plan will be turned into numbers in the Financial section of the plan. The Projected Cash Flow is your vision turned into numbers.

You do not have to use the fill-in-the-blanks format; you are free to use any format you wish. However, be sure that your plan covers the areas outlined in this package.

# Table of Contents

Section 1 - Executive Summary

Section 2 - Vision

Business Background

Your Products or Services

Your Customers

The Industry

The Competition

The Marketing Plan

The Management Team

Business Structure

Operating Plan

Not-So Minor Details

Section 3 - Financial Projections

Start-Up Costs & Capital (Fund Use & Source)

Personal Requirements

Sales Projections

Projected Cash Flow

Section 4 - Conclusions & Summary

Section 5 - Business Financing

Section 6 - Supporting Documentation

Section 7 - Arranging Financing

# SECTION 1 - EXECUTIVE SUMMARY

Although this is the first page of the Business Plan it is the last page to be completed. It should not exceed 2 pages. A brief explanation of the business products/services, management, market, location and financing requirements should be included. If you are expanding an existing business, describe both its present performance and the improved level of business that is expected to result from the expansion.

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## YOUR PRODUCTS OR SERVICES

A product or service is a good you will sell or a service you will provide. Your business may focus on one type of product or service, or it may offer several different kinds. It is crucial that you have a clear understanding of the different kinds of products you offer (or plan to offer) because this will help you identify who your customers are.

Concentrate on major types of product rather than listing every single item. Consider these examples:

- ◇ A retail jewelry store might have four areas (fine gold jewelry, fashion jewelry, giftware and china/crystal/silverware), or it may focus on one or two of those areas.
- ◇ A carpenter offering a full range of services may have two areas; major jobs (house construction, sun decks, trusses) and basic home renovation/maintenance.
- ◇ A restaurant may also offer catering services to hotels and cater private functions (home & office parties, special events, etc.) - three areas in total

One reason for listing each of these separately is that each group may have different types of customers with different needs. You may want to promote each area of your business in a different way from the others, since the advertising that reaches one market may not reach others. These groups may also have different mark-ups or gross profit margins associated with them. Listing them separately aids in determining how much inventory will be purchased in the Cash Flow Projection. Different products or services may also have different sales cycles (ie: you may sell more of one product during the summer, and more of another product during the winter). By grouping them separately it makes it easier to project expected sales.

Be sure to provide a brief description of your products or services that will help the reader of your plan better understand your business. Describe what they will or will not do. List all features and benefits of your products, and make special note of any features that differentiate your products or services from those of the competition.

Include any exhibits such as drawings or photographs of the product to be manufactured, or a description of the services to be offered.



## Your Products/Services

Product #1: \_\_\_\_\_

Price: \_\_\_\_\_ How was Price Determined: \_\_\_\_\_

\_\_\_\_\_

Additional Information: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Product #2: \_\_\_\_\_

Price: \_\_\_\_\_ How was Price Determined: \_\_\_\_\_

\_\_\_\_\_

Additional Information: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Product #3: \_\_\_\_\_

Price: \_\_\_\_\_ How was Price Determined: \_\_\_\_\_

\_\_\_\_\_

Additional Information: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Product #4: \_\_\_\_\_

Price: \_\_\_\_\_ How was Price Determined: \_\_\_\_\_

\_\_\_\_\_

Additional Information: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Product #5: \_\_\_\_\_

Price: \_\_\_\_\_ How was Price Determined: \_\_\_\_\_

\_\_\_\_\_

Additional Information: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Product #6: \_\_\_\_\_

Price: \_\_\_\_\_ How was Price Determined: \_\_\_\_\_

Additional Information: \_\_\_\_\_

Product #7: \_\_\_\_\_

Price: \_\_\_\_\_ How was Price Determined: \_\_\_\_\_

Additional Information: \_\_\_\_\_

Product #8: \_\_\_\_\_

Price: \_\_\_\_\_ How was Price Determined: \_\_\_\_\_

Additional Information: \_\_\_\_\_

Product #9: \_\_\_\_\_

Price: \_\_\_\_\_ How was Price Determined: \_\_\_\_\_

Additional Information: \_\_\_\_\_

Product #10: \_\_\_\_\_

Price: \_\_\_\_\_ How was Price Determined: \_\_\_\_\_

Additional Information: \_\_\_\_\_

# YOUR CUSTOMERS

The market location and size should be addressed, based on a review of statistical data and from discussions with potential distributors, sales representatives, and other people in the industry and customers. Your 'market' consists of all the people who might become your customers. Your 'market share' consists of people who do become your customers.

## Your Market Area

Where do your customers live? Focus on your main market areas.

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## Your Customers

Who is buying (or will buy) your products and services and why? Who are your customers? (In the case of consumer goods what is their age range, average income, marital status, average family size, average expenditure, leisure activities, education, etc.) What do they want? How many customers are there in your target market? Why do they buy your type of product - what needs does it fulfill? How do they shop for your product or service? How do they perceive your business and its products and services? How do they perceive your key competitors, and their products and services? How sensitive are they to pricing differences?

The more in depth you can describe your customers the better. Include their unique characteristics: age, gender, marital status, income level, education, needs, interests, location, etc. If the customers are likely to be other businesses, describe them by size, location and needs. With this information, you will be able to plan how you are going to sell, produce and advertise your product or service.

Product #1: Your Customers

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Size of Market (Measured in number of people, businesses, etc.)

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Product #2: Your Customers

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Size of Market (Measured in number of people, businesses, etc.)

Product #3: Your Customers

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Size of Market (Measured in number of people, businesses, etc.)

Product #4: Your Customers

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Size of Market (Measured in number of people, businesses, etc.)

Product #5: Your Customers

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Size of Market (Measured in number of people, businesses, etc.)

Product #6: Your Customers

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Size of Market (Measured in number of people, businesses, etc.)

Product #7: Your Customers

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Size of Market (Measured in number of people, businesses, etc.)

Product #8: Your Customers

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Size of Market (Measured in number of people, businesses, etc.)

Product #9: Your Customers

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Size of Market (Measured in number of people, businesses, etc.)

Product #10: Your Customers

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Size of Market (Measured in number of people, businesses, etc.)



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## THE COMPETITION

One of the main keys to your success will be in establishing a market niche for your business. To do this, you must understand who your competitors are, where their strengths are, and more importantly, where they are weak. Disposable income is limited, and many businesses are competing for it! There is only a limited amount of “spending money”, and many different ways of spending it. Every product has competition of some kind and it is important to know who your competitors are.

When looking at your competition, include direct competitors and substitutes. Substitutes are products that are different from yours, but can compete for your market. For example, an ethnic restaurant may have no direct competition in the community, but would still compete with other firms that cater to the limited “dine-out” market. Pay careful attention to your competitors market “niche”. Are they appealing to certain types of customers? Are they focusing on certain features of their products? Why do people buy from them? This information can give you many ideas how to set your company apart from the crowd, and create your own niche.

In listing your competitors you may wish to group similar competitors together if you have a large number of competitors. For instance, if you are starting a restaurant you may wish use categories such as drive-through restaurants, family restaurants, and dining lounges.

Identify the strengths and weaknesses of your competition and its products with respect to factors such as location, price points, advertising, staff quality and service. Estimate their percentage of market share.

Competitor \_\_\_\_\_ Market Share \_\_\_\_\_  
Strengths \_\_\_\_\_  
Weaknesses \_\_\_\_\_

Competitor \_\_\_\_\_ Market Share \_\_\_\_\_  
Strengths \_\_\_\_\_  
Weaknesses \_\_\_\_\_

Competitor \_\_\_\_\_ Market Share \_\_\_\_\_  
Strengths \_\_\_\_\_  
Weaknesses \_\_\_\_\_

Competitor \_\_\_\_\_ Market Share \_\_\_\_\_  
Strengths \_\_\_\_\_  
Weaknesses \_\_\_\_\_



Competitor \_\_\_\_\_ Market Share \_\_\_\_\_

Strengths \_\_\_\_\_

Weaknesses \_\_\_\_\_

Competitor \_\_\_\_\_ Market Share \_\_\_\_\_

Strengths \_\_\_\_\_

Weaknesses \_\_\_\_\_

Competitor \_\_\_\_\_ Market Share \_\_\_\_\_

Strengths \_\_\_\_\_

Weaknesses \_\_\_\_\_

Competitor \_\_\_\_\_ Market Share \_\_\_\_\_

Strengths \_\_\_\_\_

Weaknesses \_\_\_\_\_

Competitor \_\_\_\_\_ Market Share \_\_\_\_\_

Strengths \_\_\_\_\_

Weaknesses \_\_\_\_\_

Competitor \_\_\_\_\_ Market Share \_\_\_\_\_

Strengths \_\_\_\_\_

Weaknesses \_\_\_\_\_

What are the strengths of your business and your products, compared with your competitors?

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What are the weaknesses of your business and your products, compared with your competitors?

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How will you overcome the weaknesses of your business and your products? This is a crucial area, and one that should be looked at very closely. It may be linked to your marketing plan, it may involve changes in your product or service, or it may involve changes to how you are operating your business?

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# THE MARKETING PLAN

How will you tell your customers about your products and convince them to buy from you? Marketing is more than just advertising. It also includes pricing strategies, and how your product or service will be distributed to the ultimate consumer. Identify the features and benefits of your products/services. This will help you see what things you can emphasize in your advertising/marketing. How are they unique? Why should people buy from you instead of someone else? What are the unique benefits of buying from you?

## Promotion Strategy

Advertising and other means of promotions are very important to the success of any business, especially in the first years of operation. Your promotion strategy is where you promote your products and your firm, trying to create a perception of value among your customers. This could include areas such as customer service, discounts, special sales, charities/causes your business may support, and advertising.

Keep in mind the timing of your promotions. (An advertising and promotion checklist follows the next page.) What are the messages you will be sending to your customers? What are you trying to accomplish? Are you creating awareness of your business, are you trying to create an image for your product or service, or are you trying to create sales? What are the costs? Include the strategies you will use (selling methods, the advertising plan, discounts, coupons, etc.)? Include any print advertisements and flyers that are already made up in an appendix

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## Advertising & Promotion Checklist

This list is designed to help you keep track of the costs and timing of your advertising and promotional activities. This list is not all inclusive.

Type	Month	Cost
Radio		
T.V.		
Newspaper		
Magazine		
Flyers		
Coupon/Pak		
Yellow Pages		
Promotional Items (i.e. pens, fridge magnets)		
Business Signage		
Vehicle Signage		
Banners		
Welcome Wagon		
Business Cards		
Internet		
Trade Shows		
Sponsorships		
Charitable Donations		
Networking - Chamber Membership		

## Price

How do you determine your prices? How do your prices compare with those of your competitors? How do your customers perceive your prices?

Keep three things in mind:

- ◇ If your products are more expensive than your competitors, why will your customers be will to pay extra price?
- ◇ If your products are cheaper than your competitors, can that affect the way that customers view the value of your products?
- ◇ If your products are the same price as your competitors, do you have other plans to set yourself apart from the rest?

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## Location & Distribution

Location can be a vital part of your success. It can be crucial for retail sales and consumer services, along with some business-oriented services. Location is not crucial for all firms - a wide range of firms are run from home. Where location is less critical how the product or service is delivered or distributed to customers often plays a more important roll. Distribution channels can also play a very important roll if your business is a manufacturer or a wholesaler.

Where will your business be located? Why? How will your products or services be delivered or distributed to the ultimate consumer? What are the advantages and disadvantages of the site?

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# THE MANAGEMENT TEAM

Your skills and those of your advisors and key employees will play a vital part in your success or failure. There is far more to running a company than simply providing the goods or service itself. All businesses require skills in organization, sales, customer relations, crisis management, marketing and technical areas. Successful entrepreneurs either have sufficient experience in these areas to be reasonably effective, or have people with those skills who they can draw on.

You will also need to have plans for overcoming your weaknesses. No one is strong in every area. An effective entrepreneur knows where they are weak and has plans for compensating for those weaknesses. You may need to hire staff, take training in some of your weak areas, or arrange with someone to provide those skills (e.g. Bookkeeper, Lawyer, Advertising Rep., etc.)

Outline the roles your management team will play in your business. Discuss their skills and experience in the following areas (remember to include key individuals like your accountant even though they may not be employees or management in the strictest sense):

- **Technical** - The ability to provide the service or make the goods. What education, certificates and experience does the individual have in this area. Include copies of any trade certificates in an appendix
- **Sales** - The background in selling products.
- **Promotion** - The exposure to using advertising or promoting products.
- **Organization** - Experience in managing many details at the same time.
- **Administration** - Experience and education in handling books, tracking cash, etc.

Individual: \_\_\_\_\_ Position: \_\_\_\_\_

Responsibilities: \_\_\_\_\_

Maintained/Created: \_\_\_\_\_

Skills and Experience as they relate to the business: \_\_\_\_\_

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Individual: \_\_\_\_\_ Position: \_\_\_\_\_

Responsibilities: \_\_\_\_\_

Maintained/Created: \_\_\_\_\_

Skills and Experience as they relate to the business: \_\_\_\_\_

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Individual: \_\_\_\_\_ Position: \_\_\_\_\_

Responsibilities: \_\_\_\_\_

Maintained/Created: \_\_\_\_\_

Skills and Experience as they relate to the business: \_\_\_\_\_

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Individual: \_\_\_\_\_ Position: \_\_\_\_\_

Responsibilities: \_\_\_\_\_

Maintained/Created: \_\_\_\_\_

Skills and Experience as they relate to the business: \_\_\_\_\_

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Are there any skills important to the business not possessed by any of the management team? How is your business going to acquire them? Weaknesses are NOT a sign that you should not consider going into business. Everyone has weaknesses. However, they are an indication that you should make plans to deal with these weak areas - do not ignore them.

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# BUSINESS STRUCTURE

In this section, you describe your business. Complete this section whether you are planning to start a new business, expand your current business, or purchase an existing business.

**Name:** \_\_\_\_\_

**Address** (If you have not committed to a specific location yet, put down the expected site - provide legal description of business site as well as address.)

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## Business Structure

Is this a:

- Sole Proprietorship - a business owned, managed and controlled by one person
- Partnership - a business where two or more people share ownership.
- Limited company/Corporation - a company that is legally separate from its owners.

Ownership Structure (Existing or Proposed)	
NAME	OWNERSHIP %

## Status

Are you starting a brand new business? Taking over an existing business? Expanding your current business?

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## Type of Business

Is this a manufacturing business, a retail store, or a service business? A business may cover several of these areas, such as a manufacturer who sells direct to consumers. If this is the case for you, check all that apply. However, only check major areas, not those that make up only a small part of your overall business.

- Manufacturing     Retail     Service

# OPERATING PLAN

## Facility and Equipment Required

What are the basic requirements for your business? (land, equipment, office space, renovations, etc.) Do you already own/rent or will it be a required purchase for start-up? Include a comprehensive list of all tools/equipment/land/buildings owned and to be purchased (include serial numbers if applicable). Schedules attached if required. If the construction of new facilities is required, have engineering/architectural plans been prepared and reviewed by qualified professionals

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## Delivery of Products / Supplies

Who are your suppliers? Have you made arrangements for ensuring that your supplies arrive when needed? What sort of terms will they give you?

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## Staffing Requirements

What staff and skills will you have to hire? Will you need staff for sales, management, technical or other functions? Will some of the staff be seasonal?

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## Technological Innovations in Your Field

Are you in a field where technology is rapidly changing? If so, what are the changes, and how can they affect you? If your products or equipment can become outdated quickly, you need to be aware of this and make plans accordingly.

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## Age of Your Equipment

If you need equipment to make your goods or to provide your service, how old is it? Is it reliable? If it broke down, could it be repaired or replaced quickly? Could changing technology turn your equipment obsolete? Does it look like new regulation might force you to change your equipment, or give advantages to competitors with different machinery? Can your equipment adjust to meet these changes?

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## Not So Minor Details

Businesses are affected by many regulations, and these cannot be ignored. Items like insurance and administration can be relatively minor details, if they are handled properly. If not, they can consume a great deal of your time (and money).

### Licenses and Permits

*Business License* - Do you have your current license from the local government?

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*Name Search/Registration* - Unless your business is a sole proprietorship operating under your own name you must register the business name. Have you done a name search & registered your business name. \_\_\_\_\_

*GST* - If you expect revenues of \$30,000 or more it is required, otherwise it is voluntary. Have you registered? \_\_\_\_\_

*Revenue Canada* - If you have employees you will require an Employer Registration number? Do you have one? \_\_\_\_\_

*WCB* - Do you require a Worker's Compensation Board assessment number? How much will the premiums be? \_\_\_\_\_

*Zoning* - What zoning regulations apply to your business? How will you be affected?  
\_\_\_\_\_  
\_\_\_\_\_

Are there any special licenses that are required for your business?  
\_\_\_\_\_  
\_\_\_\_\_

**Insurance**

What types of insurance will you need? How much does each type cost? Who is your Agent? \_\_\_\_\_  
\_\_\_\_\_

**Administration**

Who will handle your bookkeeping, year-end accounting / taxes, and legal matters?  
\_\_\_\_\_  
\_\_\_\_\_

## SECTION 3 - FINANCIAL PROJECTIONS

In the previous section, you covered the vision of your business - the products you will sell, your customers, how you stack up against your competition, the equipment you need, your marketing plan, and so on. Now you can determine how much money you will need to get the business off the ground, and keep it going.

Determining your financial needs involves these areas

- Use & Source of Funds - how much money you need, and where you will get it from.
- Owner's Drawings - calculation of your personal living expenses, and the amount you plan to take out of the business.
- Sales Forecast: Assumptions - what you base your sales forecasts on.
- Cash Flow Projection - a 12 month estimate of sales and cash into your business.
- Financing - information needed to get any loans/investments you require to start the business.

### START-UP COSTS & CAPITAL (FUND USE & SOURCE)

This section outlines the money that you will need to start your new business or expand your existing business, along with where the money will be coming from. The first part (what you need) is the Use of Funds, while the second (where it comes from) is the Source of Funds.

#### Use of Funds

This section should cover whatever you need to start or expand your business, including items you already have. Let's assume your business requires \$10,000 in equipment to operate, and you already have \$3,000. You would show the full picture (\$10,000) in the appropriate section of the Use of Funds, NOT just the part that you don't have yet (\$7,000)

The Use of Funds is a summary showing the amount needed in each area. While it shows the complete picture, it is not necessary to put every single item on the sheet -only major items should be listed individually. If you have an itemized list, feel free to attach it to the plan.

The Use of Funds covers the following categories:

- Capital Items - major pieces of equipment you need to start to expand.
- Inventory
- Other costs - advertising/marketing, business licenses, accounting/bookkeeping fees and other costs related to start-up or expansion
- Renovations
- Operating line - similar to a line of credit, these are funds you need to carry you through slow periods and provide a "buffer" your operation.

Complete only those categories that apply to your business. List the items you are contributing to the business separately from those you will have to buy. Using the same example you would show \$3,000 in owned equipment and \$7,000 in equipment to be purchased/leased, rather than a \$10,000 total.

**Source of Funds**

Once you know what your needs are, you need to determine where the money will come from. List the cash and assets that you are contributing to the start-up or expansion. Show the full amount of any leases, bank loans, investments by partners or other investors, and the like.

**Use of Funds**

Capital Items:	\$
	\$
	\$
	\$
	\$
Inventory:	\$
	\$
	\$
Other Costs:	\$
	\$
	\$
	\$
Renovations:	\$
Operating Capital / Line:	\$
<b>TOTAL USE OF FUNDS:</b>	\$

## Source of Funds

Bank   Credit Union   etc.	\$
Community Futures Development Corp.	\$
Personal Investment    Cash	\$
Assets	\$
Other (specify)	\$
<b>TOTAL SOURCE OF FUNDS:</b>	<b>\$</b>

<b>Total Source of Funds:</b>	\$ _____
<b>Less Total Use of Funds:</b>	\$ _____
<b>Starting Cash Balance for Month 1:</b>	\$ _____ <b>(Cannot be negative)</b>

## PERSONAL REQUIREMENTS

In this section, you calculate the funds you need to meet your personal living expenses. The numbers generated in this section will become part of your projected cash flow.

There are two types of expenses you must consider: Monthly and Periodic. In the Owner's Drawings section on the next page, list both types on the sheet provided. Also list any other sources of income for you, such as spousal income.

The amount in this section is the LEAST you can take from the business. The least you can take from the business for each month is the sum of the Minimum Monthly Owner's Draw Required, and any periodic expenses that will be due in that month. You can take more than this, but you cannot take less.

For example, your minimum monthly living expenses may be \$1,900. You could not take less out of the business to live on, though you certainly could choose to take more (e.g. \$2,500 per month).

## Owner's Drawings

### Monthly Expenses

Rent or Mortgage Payment	\$
Food	\$
Telephone	\$
Heat	\$
Light	\$
Car Expense	\$
Clothing	\$
Entertainment	\$
Medical Expense	\$
Other (specify)	\$
Other (specify)	\$
Other (specify)	\$
Other (specify)	\$
Miscellaneous	\$
<b>Total Expenses</b>	\$
Less other Sources of Household Income	\$ (            )
<b>Minimum Monthly Owner's Drawings Required</b>	\$

### Periodic Expenses

Item	Month(s) Due	Amount
House Insurance		\$
Vehicle Insurance		\$
Life Insurance		\$
Property, Water/Sewer/Taxes		\$
Personal Income Taxes		\$
Alberta Health Care		\$
Other -		\$
Other -		\$
Other -		\$
Other -		\$



# SALES PROJECTIONS

## Sales Assumptions

Sales forecasts must be supported to be credible. If your projections are based on your many years experience in the field, say so. In the case of an existing business, past sales figures may also be used, but if the forecast varies substantially, or if the business is new to you additional support is beneficial. However, the more information you can provide to show how you came up with your sales forecast, the more accurate (and meaningful) they will be.

The assumptions should consider any major areas that can affect your business. For example, a retail store should consider the effects of Christmas on their November and December sales.

Factors could include things like:

- ◇ Seasonal conditions - weather, Christmas, etc.
- ◇ Economic conditions - logging down-time, housing constructions, etc.
- ◇ Customers - the number of customers you expect to be working with on a daily, weekly, or monthly basis.
- ◇ Marketing - the type of marketing or promotion you will be doing during this time, and the number of hours you plan to devote to it.

What are your sales assumptions, and where did you get the information to support them.

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## Unit Sales Projections by Product and Month

In the first column write the month which corresponds to the month listed. Enter the quantity of each product or service you expect to sell during the month. Enter the unit of sales (ie. hour day, each, case) for each category of product or service in the row labeled "Unit of Sales".

Estimate sales for each general type of product that you plan to offer, by month. For example, a jewelry business may plan to offer products in four areas - gold jewelry; fashion jewelry; gifts; and china & silver. The entrepreneur would make sales forecasts for each of the four areas product groups, NOT for every single item that the store carries.

Remember, "Month 1" is the first month of business for which this plan applies, and month 2 is your second month of business, etc. Month 1 is not necessarily January.

Month		Product 1	Product 2	Product 3	Product 4	Product 5
	Description					
	Unit of Sales					
	Month 1					
	Month 2					
	Month 3					
	Month 4					
	Month 5					
	Month 6					
	Month 7					
	Month 8					
	Month 9					
	Month 10					
	Month 11					
	Month 12					

### Unit Sales Projections by Product and Month (continued)

Month		Product 6	Product 7	Product 8	Product 9	Product 10
	Description					
	Unit of Sales					
	Month 1					
	Month 2					
	Month 3					
	Month 4					
	Month 5					
	Month 6					
	Month 7					
	Month 8					
	Month 9					
	Month 10					
	Month 11					
	Month 12					

## Sales Dollars projected by Product and Month

In the first column write the month which corresponds to the month listed. In the row labeled "Price/unit" write the price you will be charging for each unit of product or service.

For each type of product or service, multiply the number of units you expect to sell (preceding page) by the selling price. Total each row.

Month		Product 1	Product 2	Product 3	Product 4	Product 5	Total * (Product 1-5)
	Price/Unit						
	Month 1						
	Month 2						
	Month 3						
	Month 4						
	Month 5						
	Month 6						
	Month 7						
	Month 8						
	Month 9						
	Month 10						
	Month 11						
	Month 12						

*\*Used on Cash Sales page if Product 6-10 on next page are blank*

### Sales Dollars projected by Product and Month (continued)

Month		Product 6	Product 7	Product 8	Product 9	Product 10	Total (Product 6-10)	Total (All)*
	Price/Unit							
	Month 1							
	Month 2							
	Month 3							
	Month 4							
	Month 5							
	Month 6							
	Month 7							
	Month 8							
	Month 9							
	Month 10							
	Month 11							
	Month 12							

*\*Used on next page (Cash Sales)*

# Projected Cash Inflows By Month

If you offer credit some of the money from your sales will be collected in later months. What percentage of sales are collected in the month they are made or in subsequent months?

Current Month	%
Second Month	%
Third Month	%
Fourth Month	%
TOTAL	%

Cash Sales refers to sales where the cash is collected in the month of the sale. Accounts Receivable refers to sales where the cash is collected in months subsequent to the sale.

		Total Sales (from previous page)	Cash Sales*	Cash Collected from Accounts Receivable**
	Month 1			
	Month 2			
	Month 3			
	Month 4			
	Month 5			
	Month 6			
	Month 7			
	Month 8			
	Month 9			
	Month 10			
	Month 11			
	Month 12			

\* These numbers are used in Cash Flow as cash sales

\*\* These numbers are used in Cash Flow as Accounts Receivable

# PROJECTED CASH FLOW - INSTRUCTIONS

A cash flow projection statement helps you predict expenses and income including cash requirements to keep the business operating. Be realistic in cash flow projections. Estimate income conservatively, be generous with expenses.

A Cash flow chart has been provided with specific headings as outlined below. Some rows may not be applicable for your business, so make any necessary adjustments as required. The first column will be for the first month of operation (whatever that may be, do not do for calendar year January to December, unless January will be your first month of operation).

The key to remember in preparing a cash flow is that you are not trying to determine a profit or loss yet - you are trying to predict the timing of cash in or out of your bank. **Don't spread costs evenly over the year.** For example, if insurance costs \$1,200 per year and is payable in May, put the whole \$1,200 in that month. Do not put in \$100 each month. **Take the time to do it right.**

**For each amount estimated, include notes on assumptions made, sources of estimates, etc.**

Line 1: **Sales** — this is the total amount of income you estimate you will take in each month. Most businesses find that income varies from month to month. Therefore, your figures should reflect this. Also include an estimate of the percentage of sales that will be collected in 30 days, the percentage collected in 60 days and those collected in 90 days.

Line 2: **Contributing equity** — This is the amount of cash equity that you personally have put into the business. This will most often be a one-time entry in your first month of business.

Line 3: **Loans** — If you take possession of borrowed money during the month, list this amount. Again, this will normally be a one-time entry in your first month of business.

Line 4: **Cost of goods sold** — If you have a retail business this figure will be your cost of the goods you intend to sell (cost of inventory or raw materials necessary to achieve that month's sales). This may be based on a percentage of sales, if you are selling a product for which you already know the markup or profit margin. NOTE: This only applies if you are selling products ... not services.

Line 5: **Other Cash Received** — List any other sources of cash inflow.

Line 6: **Total Cash In** — Totals of lines 1 to 5.

Line 7: **Accounting & Legal** — Get estimates from an accountant and lawyer indicating what they estimate your expenses will be. Legal fees may only occur in the initial start up phase while accounting fees may be incurred monthly. Includes: monthly bookkeeping services, year-end financial statements, incorporation fees, Search & Registration of trade name or partnership, etc.

Line 8: **Advertising** — Contact agencies that will provide your advertising (newspapers, radio, television, Flyers (including postage), Signage (business cards, indoor & outdoor signs, vehicle signs), etc.) and get an estimate on the costs. The cost of running a regular advertisement may be a monthly/bimonthly figure while items such as signage would normally be a figure in your start-up column

Line 9: **Bank Charges** — A good rule of thumb to follow for the purposes of estimating this figure is the following

- Home Based business -\$50 monthly
- Service oriented business (trucking, electrical etc.) \$50 -\$100
- Retail Outlet -\$250 -\$300

Line 10: **Business License/Vehicle Licenses/Permits** — This figure should include municipal, provincial, and town licenses, vehicle licensing and permits. This figure would probably occur in the first month of operation. This could also include various annual permits for specific industries (trucking, professional associations etc.)

Line 11: **Delivery/Freight** — Estimate the monthly cost in having your goods delivered to you. Talk to the persons whom you expect to provide this service as well as to persons in a similar type of business to arrive at this figure

Line 12: **Insurance** — This figure should include: equipment coverage, vehicle coverage, stock coverage, Commercial general liability insurance and Key man life insurance. This may be a figure in your first month of business, or your insurer may be willing to pro-rate your premiums over the year.

Line 13: **Loan Payment** — If you have borrowed money to finance your business, this is where your monthly loan payment is shown.

Line 14: **Miscellaneous** — There are always items that crop up unexpectedly and an amount should be allowed for this. It would be dependent on the volume and type of business you expect to do.

Line 15: **Office/Shop Supplies** — This figure would include paper supplies (Letterhead, paper, invoices, envelopes, receipts, stamps etc). Also included (if applicable) would be gloves, hand cleaner, coffee supplies etc.)

Line 16: **Property Taxes** — This would be filled in only if the business owns property.

Line 17: **Rent** — If you are renting space for your business to operate in, indicate the monthly amount.

Line 18: **Repairs and Maintenance** — Estimate the amount you think you will spend on keeping equipment and property in good operating condition.

Line 19: **Telephone** — In the first month of operation include your connection charges for telephone lines and the Internet (if applicable). In the remaining months estimate your monthly telephone/Internet charges, including line charges, mobile phones and long distance.



- Line 20: **Utilities** — This figure will include monthly utility costs such as power, heat, and water. There may be initial connection charges in the first month of operation
- Line 21: **Vehicle Expense** — this figure will include fuel, oil, and lease payments (if any). If vehicle expenses will be a large part of your expenses you may want to consider separating the expenses. Note: Utilized only if vehicle is owned by company (actual cash outlaid by company).
- Line 22: **Tools & Equip.** — this figure will include any additional tools/equipment that may need to be purchased/upgraded throughout your business.
- Line 23: **Wages - management** — This will be the amount that you intend to pay yourself. There is often no wage drawn in the first 2 or 3 months of operation. *Business plan should be strong enough to be able to support a minimum management wage of \$1500/month. Wage must be enough to support personal financial requirements.*
- Line 24: **Wages - employees** — This will include the total amount you intend to pay your employees and could well vary from month to month depending upon the type of business you operate.
- Line 25: **Wage Benefits** — This includes employee deductions that you are responsible for (EI, CPP, WCB, Vacation Pay, etc.) As a general rule of thumb, these items usually amount to at least 10% of the wage costs (unless you offer a benefit package, in which case this would be somewhat higher). *Small business owners do not pay EI for themselves, just Canada Pension and WCB if applicable, and EI for any employees.*
- Line 26: **Total Cash Out** — Total of lines 7 to 24.
- Line 27: **Surplus or Deficit** — Total Cash In (line 6) subtract Total Cash Out (line 25)
- Line 28: If you have **purchased an asset** (pieces of equipment or tools that have a cost of \$300 or more) indicate that figure in the space provided.
- Line 29: **Opening Cash Balance** — the amount of money you start with at the beginning of each month
- Line 30: **Closing Cash Balance** — the amount you started with plus or minus the amount of cash made or lost during the month. The closing balance becomes the next month's opening balance.

# CASH FLOW FORECAST WORKSHEET

Growing communities one idea at a time.

MONTH	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL
<b>CASH IN</b>													
1. Sales													
2. Contributed Equity													
3. Loan Funds													
4. Less Cost of Goods Sold													
5. Other Cash Received													
<b>6. TOTAL CASH IN</b>													
<b>CASH OUT</b>													
7. Accounting and Legal													
8. Advertising													
9. Bank Charges & Interest													
10. Business License/Permits													
11. Delivery/Freight													
12. Insurance													
13. Loan Payment													
14. Miscellaneous													
15. Office/Shop Supplie													
16. Property Taxes													
17. Rent													
18. Repairs & Maintenance													
19. Telephone													
20. Utilities													
21. Vehicle Expense													
22. Tools & Equip.													
23. Wages - Management													
24. Wages - Employees													
25. Wage Benefit													
<b>26. TOTAL CASH OUT</b>													
<b>27. SURPLUS / DEFICIT</b>													
28. Less Assets Purchased													
29. Opening Cash Balance													
30. Closing Cash Balance													







# SECTION 5 - BUSINESS FINANCING

What are you and your partners or shareholders contributing to this venture in cash?

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What are you contributing to this venture in Assets? (Give the current market value of these assets, not the price you paid for them) If there is money owed on these assets, state how much is owing.

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How much money do you wish to borrow? \_\_\_\_\_

Please make an itemized list of what the money to be borrowed is to be used for.

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List available collateral including estimates of value. Include a comprehensive list of assets to be used as security (including serial numbers if applicable) as well as proof of ownership (registration/bills of sale/title documents, etc.)

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## SECTION 6 - SUPPORTING DOCUMENTATION

The following provides a list of the supporting documentation that is required (as applicable) to support your Business Plan and/or your request for funding:

- Resumes of key people
- Price schedule for produce line or service
- Market survey data
- Agreements
- Articles/publicity/previous advertisements
- Samples of any business cards, brochures
- Copies of any relevant contracts
- Letters of Intent/Support
- If existing business, attach year end financial statements for previous years or as available
- Journeyman tickets or other certificates of importance
- Offers to purchase
- Quotes
- Tax assessments and/or appraisals for property
- Certificate of Incorporation, if a limited company
- Business license, development and/or building permit, etc.
- Inspections (required if purchasing used equipment/vehicles)
- Any other items of importance to your business

### **Visit these web sites for business plan samples and templates and general information:**

- <http://www.sb2000.com/bp-howard.html> - This is a good basic guide. Answer all these questions and you will have a complete, informative business plan.
- <http://www.cbcs.org/ibp> - This is an excellent interactive business plan guide, be prepared to have all your facts and figures read . You can save your work and return to it at any time. Takes on average about 6 - 10 hours to complete.
- <http://www.canadabusiness.ca/alberta/> - The Business Link site - good source of additional information for a small business, including business planning and financing

## SECTION 7 - ARRANGING FINANCING

By this point you will know whether your business will require financing. If you need to borrow money, the information in the business plan will help you greatly in arranging financing. Some lenders may only require a synopsis of the plan, others will want to see the entire plan.

In addition to a business plan a lender will want to see some sort of loan proposal that states:

- How much money you wish to borrow.
- What you are going to buy with that money (include quotes).
- What you are going to use as collateral for the loan.
- The current value of assets being used as security.
- A statement of your net worth.