

## **COMPANY NAME**

Company Owner's Name(s)  
Company/Owner Contact Address  
Company/Owner Contact City, State Zip  
Company/Owner Contact Phone  
Company/Owner Contact Email

## **BUSINESS PLAN**

**Month, Year**

## EXECUTIVE SUMMARY

The Company is a *<start-up/x-year old> <retailer/wholesaler/manufacturer/service firm>* that provides customers with *<describe the primary types of products/services being sold>*. The Company will offer its customers *<mention the primary features that the Company will provide clients, such as “a wide range of moderately priced products” or “an upscale atmosphere”>*.

By offering *<describe the Company’s main advantage over competitors>*, the Company will be able to gain market share in the *<city/area>* region.

The Company has identified attractive market segments to target. These market segments are: *<list and briefly describe them>*.

The owners have become aware through *<e.g., experience in the industry or use of the products/services of competitors>* that there is a need for *<products/services of the type offered by>* the Company. Although there are competitive businesses, their *<locations are not as convenient for customers; products and services are higher price than the Company’s; product lines are limited; etc.>*. The Company is in a prime location to service the target market segment *<state who they are>*. The competing businesses also lack the *<mention some product/service traits that are important to customers>* that the customers are looking for.

*<Company name>* is seeking outside funds of \$xxx,xxx, with the owners investing \$xx,xxx, for a total initial capital of \$xxx,xxx. The Company is projecting sales of \$xxx,xxx and a *<profit/loss>* of \$xxx,xxx during the first year start-up period, and then expects to achieve \$xxx,xxx and \$xxx,xxx in sales for years two and three respectively while earning xx% and xx% in net profit for those years. Ultimately, sales are projected to grow to \$xxx,xxx.

# COMPANY OVERVIEW

## Background

Xxxxxxx Xxxxxxx and Xxxx Xxxxxxxx are the owners of <Company name>. They formed the Company in 20xx as a <mention form of legal organization: sole proprietorship/S-corporation/C-corporation/general partnership/limited liability company>. <If the company has some history of operations, briefly describe this history and the results achieved to date.>

<Company name> is a <startup/operating company>. The purpose of this business plan is to <seek funding/expand the business/increase sales/improve cash management/improve profits>.

The idea of the Company was born <describe the idea that is behind its formation.>

## Products/Services

The Company offers a wide range of <products/services> for <primary customer group>. The concept is to provide <customers> with <indicate the benefits they will derive from purchases>. Although there is a competing store in <area>, it fails to provide the convenience and customer friendly atmosphere that <company name> is designed for. Some of the Company's main product offerings include <be specific>:

- xxxxxx
- xxxxxxxxxxxxxxxx
- xxxxxx xxxxxx
- xxxxx xxxxxxxxxxxxxx xxx
- xxxxxxxxxxx
- xxxxxxx xxxxx
- xxxxxxxxxxxxxx xxxxxxxxxxx xxxxxxxxxxx

## Operations

The Company plans to locate <mention a specific site or general area> because <indicate why this area has been chosen>. The selected site is most suitable for the company because <elaborate on the reason>.

Company operations will occur on the following schedule: <indicate the days & hours of operation>. Operations will consist of <be specific, describing what the Company will do>.

About < xxxxxx square feet> of space is required for company operations and administration. Special requirements for company facilities include: <list special requirements or indicate that there are no special requirements>.

<Production/service delivery/other functions> will be dependent on availability of <mention key machinery & equipment, special skills/expertise or materials>.

## Management

The Company has identified the following people or positions that will be needed to smoothly operate the business.

- **President** - As an owner, <xxxxx xxxxxx> will have a wide range of responsibilities including purchasing, training and hiring, customer service, and whatever else may come up
- **Sales staff**- The Company will employ x full-time and xx part-time employees to <xxxxxxxxxxxxxxxx>.
- **Manager**- By year two the Company will hire a part-time manager to assist Xxxxx with operational responsibilities.
- **Finance** – Financial functions such as accounting will be handled by <indicate an internal individual or someone to be hired or indicate that an accounting firm will be used>.
- **<Indicate Position Name>** - The Company will employ x full-time and xx part-time employees to <xxxxxxxxxxxxxxxx>.
- **<Indicate Position Name>** - The Company will employ x full-time and xx part-time employees to <xxxxxxxxxxxxxxxx>.

The owners are the leaders of the organization. They have over <xx> years of relevant experience in <xxxxxxxxxxxxx and xxxxxxxxx>. <Briefly elaborate on the qualifications of the management team>.

<The owner> will be capitalizing on experience and has incorporated <benefits to customers> as the main focus of the business.

## MARKETING

The Company has identified <how many?> distinct market segments. The first segment includes <who, where, when?>. The second segment includes <who, where, when?>. The Company has recognized a large demand for <identify products/services> at a convenient location in the <area> and expects to gain a profitable market share within a very short period of time.

### **Markets and Customers**

The Company has identified two key market segments.

<Name of segment>- This segment includes <xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx>.

- *Ages xx-xx, median age xx.*
- *Household income \$xx,000*
- *xx% are <xxxxxxxxxxxxxxxx>*
- *xx% have <xxxxxxxx>*

<Name of segment>- This segment is <xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx>.

- *Ages xx-xx, median age xx.*
- *Household income \$xx,000*
- *xx% are <xxxxxxxxxxxxxxxx>*
- *xx% have <xxxxxxxx>*

The Company believes that <the two segments cited above> are the two most attractive market segments to target. These two segments have historically been key in <indicate the industry> and will continue to be so in the foreseeable future. The Company is also focusing on these two segments because they are the most likely to purchase <specify the company products/services>.

These two segments are motivated to by <indicate what motives cause customers to buy the type of product/service being sold by the company>.

- *<What individual or company representative> determine about <indicate the percentage> of purchases of the Company's type of products/services.*
- *<Indicate the typical customer profile characteristics>.*
- *Industry research indicates that there are xxx,xxx potential customers for Company products/services in the target market area. <Provide more information here relative to how you arrived at a market size>.*

### **Competition**

The Company has direct competitors in this market.

- Internet Sellers - The Internet provides consumers with a wide selection and the convenience of not leaving home. Unfortunately the Internet does not take into consideration the importance of *<specify features>*. The Internet also takes the importance of solid customer service out of the equation. These two very important focal points in the Company's strategy will give it a competitive advantage.
- Local Competitors - There is only one competitor – *name the competitor* - that sells *<mention products/services>* in the *<area>*. The competitor's disadvantage is that it is *<mention the disadvantage>*. *<Mention other competitors or similar products/services that compete for customer dollars>*.

There are several different characteristics of the Company that will give it advantages over the competition:

- **Convenience-** The location of the Company will be available to the public in one of the busiest sections of *<xxxxxxxxxxxxxxxxxxxxxxxx>*.
- **Price-** The retail price of Company *<products/services>* will be priced to *<be lower/the same/higher than>* competitors. Prices will range from *<xxxxxxxx>* to upscale brands for *<xxxxxxxxxxxxxxxxxxxxxxxx>*.
- **Exclusivity-** Competitors in the region do not exclusively offer *<xxxxxxxx>*. Instead they sell other retail products and, as a result, this takes the focus off of *<the target market>*. The Company will be the only one offering *<xxxxxxxxxxxxxxxxxxxxxxxx>*. Consequently, the Company will acquire a huge chunk of the market share in the *<area>*.
- **Customer Service-** Employees of the Company will be knowledgeable and focused on the importance of meeting customers' needs. They will also be able to offer helpful suggestions. Another asset that the employees will have is an extensive knowledge and experience with *<xxxxxxxxxxxxxxxxxxxxxxxx>*.

### **Advertising & Promotions**

The marketing strategy has several approaches to develop awareness of the Company.

- **Advertising-** Ads will be placed in the local *<xxxxxxx>* newspaper. Based on the demographic focus, *<ages xx – xx>*, there will also be advertisements placed at movie theaters prior to the featured movie. Partnerships with businesses relevant to the Company's industry, such as *<xxxxxxxx, xxxxxxxx xxxxxxx xxxxxx, and xxxxxxxxxxxxxxxxxxx>* will be established.
- **Social Responsibility-** Company owners believe that an important part of being a local business owner is to fulfill the commitment of giving back to the

community. This will be achieved by participating in local charity events and donating as much time as possible to the <xxxxxxxxxxx> community.

- **Location-** The Company is pursuing a site that is located <indicate the location as specifically as possible> because is most appropriate for existing customers and for attraction of potential new customers. It is also located across the street from <xxxxxxxxxxxxxxxxxxxxxxxx>. If the location does not work out, there are other sites available that we are considering.

## **Selling**

The sales strategy will rely on <for example, customer service or convenience or other>. All employees will receive training on customer attention. The overriding maxim is that all customers be given as much attention as they need, and, no customers should have an unsatisfactory experience with the Company, even if they do not make a purchase. Employees will be taught how to handle customer service and will be empowered to remedy most problems. If something occurs that the employee is unable to fix, they will pass the issue on to the manager.

# FINANCIAL

## Financial Summary

The Company is seeking a loan in the amount of \$xx,xxx for the initial start up, in addition to \$x,xxx being invested by the owners. \$xx,xxx of the \$xx,xxx needed will be used for *<be specific>*, while the remaining of the balance will cover *<list the expenditures>*.

Company revenue is projected to grow to \$xxx,xxx in 2008, while pre-tax profit is projected to grow to \$xx,xxx. A Return on Sales target of xx% has been set and will be achieved in 2xxx and beyond, as economies of scale spread overhead over a higher volume.

## Assumptions

It is assumed that the necessary financing will be received by <Month/Year> and the business will be operational by <Month/Year>.

The growth in revenue will be primarily due to market penetration and growth in the market, as consumers become increasingly aware of the attractiveness and value *<indicate products/services>* and supporting customer service.

The pricing plan will be based on markup of *<merchandise or service costs>* of *<indicate percentage>* that will yield an overall margin of xx%. For planning purposes, it is assumed that pricing structure and product costs will remain unchanged over the planning period.

*<Indicate other key assumptions relative to markets, pricing, cost structure, availability of resources, the business environment.>*

## Financial Highlights

The following table summarizes the key facets of company performance:

	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>
<i>Total Sales Revenue</i>					
<i>Variable Margin</i>					
<i>Pre-tax Profit</i>					
<i>Operating Cash Flow</i>					
<i>Debt Service</i>					
<i>Debt Service Coverage</i>					

Detailed financial projections are provided in the pages that follow.

## FINANCIAL PROJECTIONS

The set of financial projections, to be attached here, will include the following:

### **Income Statement**

Annual basis, at least 3 years into the future;  
Include history if there is any.

### **Cash Budget**

Monthly for at least 3 years into the future;  
Show both cash flow and month-end balances.

### **Revenue Projections**

Monthly for at least 3 years into the future.  
Show units of sale, pricing and extended revenue.

### **Variable Cost of Sales**

Show the composition of costs for each product/service; if there are more than 10,  
group them.

### **Overhead Expenses**

Monthly for at least 3 years into the future, using categories that are most  
meaningful to the company.

### **Other**

Any other information that is unique to the company or essential to understanding  
the rest of the financial projections.