



# **The Business Plan**

*Your Outline for Success*

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## **What is a Business Plan?**



A business plan precisely defines your business, identifies your goals, and serves as your firm's resume. The basic components include a current and pro forma balance sheet, an income statement, and a cash flow analysis. It helps you allocate resources properly, handle unforeseen complications, and make good business decisions. Because it provides specific and organized information about your company and how you will repay borrowed money, a good business plan is a crucial part of any loan application. Additionally, it informs sales personnel, suppliers, and others about your operations and goals.

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## **Elements of a Business Plan**

1. Cover sheet
2. Statement of purpose
3. Table of contents

### **I. The Business**

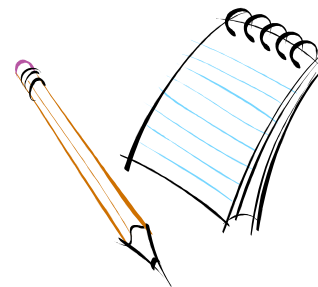
- A. Description of business
- B. Marketing
- C. Competition
- D. Operating procedures
- E. Personnel
- F. Business insurance

### **II. Financial Data**

- A. Loan applications
- B. Capital equipment and supply list
- C. Balance sheet
- D. Breakeven analysis
- E. Pro-forma income projections (profit & loss statements)
  - Three-year summary
  - Detail by month, first year
  - Detail by quarters, second and third years
  - Assumptions upon which projections were based
- F. Pro-forma cash flow

### **III. Supporting Documents**

- A. Tax returns of principals for last three years Personal financial statement (all banks have these forms)
- B. For franchised businesses, a copy of franchise contract and all supporting documents provided by the franchisor.
- C. Copy of proposed lease or purchase agreement for building space
- D. Copy of licenses and other legal documents
- E. Copy of resumes of all principals



For examples of completed Business Plans visit <http://www.bplans.com/sp/businessplans.cfm>