

Writing The Plan

What goes in a business plan? The body can be divided into four distinct sections:

- 1) Description of the business
- 2) Marketing
- 3) Finances
- 4) Management

Agenda should include an executive summary, supporting documents, and financial projections. Although there is no single formula for developing a business plan, some elements are common to all business plans. They are summarized in the following outline:

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)
- F. Three-year summary
- G. Detail by month, first year
- H. Detail by quarters, second and third years
- I. Assumptions upon which projections were based
- J. 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
- F. Copies of letters of intent from suppliers, etc.