

Dakota Ojibway Community Futures Development Corporation



Business Plan Guide



Western Economic
Diversification Canada

Diversification de l'économie
de l'Ouest Canada

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BUSINESS PLAN GUIDE

SECTION I - BUSINESS OVERVIEW

Name of Business

Address of Business

Business Phone No: _____

Cellular Phone No: _____

Pager: _____

E-mail Address: _____

Fax Number: _____

Business History

Briefly describe the history of your business. Is it a new business venture or an expanding business venture? Highlight reasons why you would like to start this new business. Attach historical financial statements if buying an existing business.

Objectives

Describe what you would like the business to accomplish. These objectives will be short-term goals of the business. Include short and simple statements. Include start and completion dates.

1) _____

2) _____

3) _____

4) _____

Ownership

Sole Proprietorship

Partnership

Corporation

Owners

Who owns the business? Give the full legal names of the owners of the business. Give the percentage of ownership of the owners. Give the title or position of each owner. Attach a personal narrative for each owner who will be employed by the business. Include names, responsibilities, experience, education and background directly related to the business.

<u>Name</u>	<u>% Ownership</u>	<u>Title/Position</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Location and Facilities

Where is the location of your business? Describe the location in terms of accessibility to the customer and how the product/service will be made available to the customer. Include your lease agreement.

Location Features

Adequate Parking _____ Easy Access _____ Snow Removal Service _____
High Traffic Area _____ Signage _____ Handicap Accessibility _____
Other _____

Could you expand the facility if required? Yes _____ No _____

Include visual aids to explain and show the location of your business to other people. Take pictures of your business and the businesses that surround your business. Make a map of the area and indicate the location of your business with major reference points. Draw an accurate diagram of your floor space. Show the location of equipment, furniture and fixtures.

Name of direct and Indirect Competitors

- 1. _____

- 2. _____

- 3. _____

- 4. _____

SECTION II - PRODUCTS & SERVICES

Briefly describe the products and/or services your business will be providing.

Suppliers

Who are your main suppliers for each product?

Location

Method of Transportation

Alternative Suppliers

Do you have alternative suppliers if the primary source is interrupted?

Name of Supplier

Location

Method of Transportation

Payment Terms

What are supplier's potential payment terms? Examples are C.O.D., 30 days credit, etc.

Name of Supplier

Credit Terms

Name of Alternate Suppliers

Credit Terms

Key features of Your Product or Service

State why will customers choose to buy your product/service over any other companies. What makes your product/service unique? How does your product/service differ from your competitors?

Production of Your Products and Service

Describe how your products and/or service will be produced. Include the process involved in the production of your product and/or service.

Future products and/or services

Do you have plans to update existing products or to offer new products and/or services in the next three to five years? Please provide a brief description of your plans.

New Product

Introductory Date

Purpose of New Product

Competitive Advantages in Production

List anything about your production capabilities that will give you a comparative advantage over your competition. List specialized skills, new technology, access to cheaper materials or low overhead costs.

SECTION III - INDUSTRY OVERVIEW

Market Research

It is very important to research the market when writing your business plan. **A thorough understanding of the industry in which you will operate is the foundation you will build your project on.** The term industry is used to define a group of businesses that supply related products or services. Discuss the research that you did and write your business plan with the research that was collected.

EXAMPLES: **Was a survey conducted on current and potential customers?**
 Have you reviewed research and statistics?
 Have you spoken with anyone in the industry?

Size of the Industry

How big is the industry your market will operate in? Size can be defined in many ways including sales, number of producers, and/or total employment. Include statistics on how fast the industry is growing and developing.

Key Market Areas

Who does the businesses within your industry sell products and/or services to? Divide the market into customer groups; divide the size of these groups.

EXAMPLE:
Markets can be categorized by the types of customers, the geography, or other characteristics relevant to your business.

<u>Name of Competitor</u>	<u>Target Market</u> (Age, Sex, Family?)	<u>Geographic Area</u>	<u>Average Income</u>
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Purchase Process and Buying Criteria:

It is important to know how and why customers purchase products like yours. How important is price, quality, warranties and/or service support important in customer buying decisions? Survey your target market and give the following results.

Describe the types of businesses that compete in your industry. Give the location, an outline of the products and service lines, how large is the company, and if they distribute their products.

Your plan must include the information about businesses you will be competing against and for a better understanding and knowledge of the market you will be involved in.

<u>Business Name</u>	<u>Location</u>	<u>Size</u>	<u>Distribution Method</u>
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Industry Trends

Name the key industry trends in your industry. Trends include changes in technology, products, markets, regulations, or economic conditions. What trends will affect supply and demand for your products/service?

Industry Outlook

Discuss and forecast the types of products that have the greatest opportunity for growth in your industry and explain why. Discuss the products that are expected to decline in the industry.

Product/Service Group

Reason for Opportunity

Product/Service Group

Reason for Decline

SECTION IV - MARKETING STRATEGY

Target Markets

Key market segments were described in the Section 3 within your industry. Which of these customer groups or market segments will your business specifically target? A target market is the groups of potential customers, within the overall market, that you want to sell your products/service to. Target markets can be defined by type of customer and/or geographic location.

Description of Key Competitor

Other businesses or competitors who are also competing for these target markets. List your key competitors and provide a brief description of their business in terms of location, products and service, marketing strategies, and market position.

<u>Competitor</u>	<u>Location</u>	<u>Products/Service</u>	<u>Market Strategies</u>
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Analysis of Competitive Position

Compare and contrast your business with your competitors. Describe the ways your business will have an advantage over your competitors. Describe the ways your business will have a competitive disadvantage.

<u>Competitor Name</u>	<u>Advantages</u>	<u>Disadvantages</u>
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Pricing Strategy

Pricing is an important decision to make for your business plan. You must look at how much it costs you to produce your goods and services. You want to make sure that your pricing strategy will enable you to make a profit over the short and long term. Describe how the pricing of your product and services will compare to that of your competitors.

Promotion Strategy

Having a great product or service does not guarantee success. Potential customers must be aware of your products and inform them of how and where to buy the products. Give a description of how you will make potential customers aware of your products and services.

Advertising

Check the methods of advertising that you will use.

Business Cards___ Billboards___ Flyers___ Internet___ Magazines___

Newspaper___ Other ___ Posters___ Radio___ Television___

Trade shows___ Signage___ Yellow Pages___

If other, please explain in the following space provided:

Distribution Strategy

Where will your customers be able to purchase your product or service? Describe how you will provide customer service and after sale service.

SECTION V - MANAGEMENT & STAFFING

Organizational Structure

Management and staffing structure of your business can be described in the following space. Discuss how many employees you currently have and how many are projected for the future.

Management Team

List and give a brief detailed description of each member of your management team. Key functions, relevant experience and relevant education should be included in this section. Attach a resume of each management team member to the appendix of your business plan.

Labour Market Plan

Discuss any factors that could affect your ability to find, hire and keep employees.

Intellectual Property Protection

Will your products, services, and/or processes be protected by patents, copyrights and/or trademark? Describe what is covered.

SECTION VI - REGULATORY ISSUES

List any other regulatory issues that can directly affect your business in the space provided below. For example, does your business require licenses or permits? Provide a list of the steps you are taking for these issues?

Market Risks and Management

List the potential problems, probability and seriousness of risks of your business plan. What preventive measures will you take to avoid these risks, and list the actions that will be taken to minimize any risks?

Supporting Documents

Provide the supporting documents requested in this business plan guide for the lending institution(s) you will be approaching.

NOTE: Provide copies of the documents and always keep original hard copies of your information for your records.

- Copy of Partnership Agreements Yes No
- Copy of Shareholder Agreements Yes No
- Copy of Joint Venture Agreement Yes No
- Copy of Articles of Certificates and Incorporation Yes No
- Resumes for Key Management Positions Yes No
- Copy of Management Contract Yes No
- Detailed list of existing and proposed equipment Yes No
- Evidence the building meets licensing codes Yes No
- Copy of the land lease Yes No
- Copy of the appraisal for the land, building and equipment Yes No
- Copy of the accepted offer to purchase Yes No
- Firm price contracts for the equipment and/or building Yes No
- Firm price contracts for leasehold improvements Yes No

- Firm price contracts and/or quotes for building renovations Yes No
- Evidence your cash contribution is available Yes No
- Copy of franchise agreement Yes No
- Vendors financial statement for the last five years Yes No
- Copy of maps of the area Yes No
- Copy of diagram of the floor space Yes No
- Structure of the business and surrounding businesses Yes No
- Insurance quote Yes No
- Copy of patents, permits, and any other legal agreements Yes No
- Financial data to meet sales goals Yes No
- Client Equity Listing with serial numbers and value of each asset Yes No
- Copy of BCR and/or letter of support from Chief & Council Yes No
- Letters from Other Financing/Funding Institutions Yes No
- (Include surveys and price schedules) Yes No
- Other (List and explain) Yes No

SECTION IX - FINANCIAL INFORMATION

Financing Summary			
A. Money Needed	Amount	B. Source of Funds	Amount
Money required for:		Where will money come from?	
1) Capital Costs	\$	Personal Cash	\$
2) Start -up Costs	\$	Grant	\$
3) Working Capital	\$	CFDC Loan	\$
		Other	\$
A. Total	\$	B. Total	\$

Note: A= B

(1) Capital costs are costs to cover large fixed items called assets and/or land:

- Furniture/Display Fixtures
- Land & Buildings
- Renovations (Leasehold Improvements)
- Vehicles
- Special Equipment

(2) Start-up Costs are costs that consist of expenses that have to paid before you open for

business: Insurance - Business & Life
Licences & Permits
Professional Fees

(3) Working Capital are the costs associated with operating your business for the first 3

months: Inventory
Miscellaneous Expense
Office Supplies
Payroll expenses & Benefits
Rent
Repair & Maintenance
Utilities

Sales Forecast

A sales forecast is an estimate of the amount of money your business is expected to generate for the first three years of operation. The sales forecast should include calculations and notes to describe how you arrived at the estimated figure.

Cash Flow Forecast

A cash flow forecast is a projection of the sales and expenses that are incurred for one month, one year and up to three years. A spreadsheet is used to determine month-by-month sales and expenses for the first year of operation. The second and third year can be increased using an estimated percentage. Notes should accompany the cash flow forecast to let the reader know how the estimates were determined. (See Cash Flow Spreadsheet)

Date

Sample Cash Flow Projections

Name of Business

Cash Flow Forecast - 12 Months

Month:	Pre-Start	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Totals
Receipts														
DOCFDC Loan														
Other Commercial Loan														
INAC Grant														
Cash Equity														
Sales I														
Sales II														
Accounts Receivable														
Total Receipts														
Cash Expenditures														
Equipment														
Leasehold Improvements														
Materials & Supplies														
DOCFDC Loan Principal														
DOCFDC Loan Interest														
Advertising														
Bank Charges														
Business Insurance														
Business Travel														
Inventory														
Miscellaneous Expense														
Office\Computer Supplies														
Packaging and Shipping Expense														
Payroll Expenses														
Professional Fees														
Repair & Maintenance														
Rent														
Taxes														
Telephone Expense														
Supplies														
Wages & Benefits														
Owner's drawings														
Total Payments														
Cashflow Surplus/Deficit (-)														
Opening Cash Balance														
Closing Cash Balance														

Prepared by _____

3 YEAR CASH FLOW PROJECTIONS

Name of Business _____

Date: _____

	Pre-Start	Year I	Year II	Year III
Receipts:				
DOCFDC Loan				
Other Commercial Loan				
INAC Grant				
Cash Equity				
Sales I				
Sales II				
Accounts Receivable				
Total Cash Receipts				
Cash Expenditures:				
Equipment				
Leasehold Improvements				
Materials & Supplies				
DOCFDC Loan Principal				
DOCFDC Loan Interest				
Advertising				
Bank Charges				
Business Insurance				
Business Travel				
Inventory				
Miscellaneous Expense				
Office\Computer Supplies				
Packaging and Shipping Expense				
Payroll Expenses				
Professional Fees				
Repair & Maintenance				
Rent				
Taxes				
Telephone Expense				
Supplies				
Wages & Benefits				
Owner's Drawings				
Total Cash Expenditures				
Cash Surplus (Deficit) (-)				
Opening Cash Balance				
Closing Cash Balance				

Prepared by _____