



1404 NORTH RANDOLPH AVENUE | P.O. BOX 1579 | ELKINS, WEST VIRGINIA 26241  
(304) 636-6495 | WWW.WCLWV.ORG | INFO@WCLWV.ORG

## Business Plan Outline

The purpose of this business plan outline is to walk you through all the aspects of your business — to help you think and plan for all the various issues that will arise as you begin your new company or grow an existing business.

Each business is different, but all businesses require certain types of planning:

- Analyzing your particular industry to see if it's growing or in a decline
- Deciding who is your customer (after all, you can't be all things to all people)
- Being able to articulate what you do better than the competition. This means how to fulfill the desires of your target customer group when they purchase product or service such as yours. Customers always buy the *benefit* of a product/service, not just the practical use of the product or service.

In addition, understanding your financial information is critical to your business' success. You need to know if you will have enough cash in your bank account to pay the bills as they become due—and to be sure you can pay employees. Knowing how to estimate your sales revenues and your expenses is an important part of owning a successful business; this business plan outline will help you discover if what you think you will have in sales and expenses is accurate.

Woodlands Community Lenders wants to help you be successful — we believe in small businesses! That is why we are asking you to take some time and thought and provide the information below. If you have trouble, consider looking at the the Small Business Administrations step-by-step guide to writing a business plan at <http://www.sba.gov/business-plan/1> or give us a call at 304.636.6495 x 29.

### I. MARKETING

#### A. Industry Analysis

- What is happening nationally in your industry? Is it growing, stagnant, or in a decline?
- How does this impact you on a local level?
- Is your market area growing and will it provide you the opportunity to increase your share of the market?

#### B. Product/Service

- Describe your goods and/or services in detail. Be specific and write to an audience that has no knowledge of your type of business product or service.
  - What are they?
  - How do they function?
  - What are your products/services used for? Target Market: Defining this is critical for success.
- Total Potential Customers
  - Who do you feel is the customer group that will provide you the most revenue? You may have several groups you feel are all good, but make sure at least one of these groups is your primary target market.
  - How many total numbers of customers are available in your target market? You get this from census data; it can be based on zip codes, counties, or cities.

- Market Share: Out of the total number of customers available to you, how many do you anticipate will buy from you in years 1, 2, and 3? This is the number you will use to estimate your sales revenue figures.
- Demographics of your target audience: Age, sex, income, marital status, number of children, zip code, etc.
- Psychographics (i.e., lifestyle) of your target audience: Hobbies, beliefs, customs, culture.
- Customer Profile: Using the demographic and psychographic data, construct a brief profile of the typical target customer for your product or service.
- Competitive Advantage: What you do better than your competitors to satisfy the needs of the customer? Look at this from the customer's point of view.
- Core Competencies: Given your target market, what are you good at?
- SWOT Analysis: Using your target market's point of view, complete a bulleted list (aka, SWOT Analysis) on your business. "SWOT" means:
  - Strengths/Weaknesses: These are controllable things and circumstances found inside the business.
  - Opportunities/Threats: These are uncontrollable things and circumstances found outside the business.

#### C. Place

- What characteristics necessary for successful location and why (i.e., type of product or service, type of demand)?
- Explain your distribution channels. How will you deliver your product or service (i.e., retail store, catalog, e-business)? If you are creating an e-business, explain the ordering and delivery system.

#### D. Price

- Pricing Strategy: Provide rationale for how you price your products/services. Why did you choose this strategy?
- Price List: Provide a price list, menu or examples of prices to be charged for your product/service.

#### E. Promotion

- Explain:
  - What will you do to enhance your Image and appeal to your target market (i.e., public relations, advertising, developing and hosting a website, social media)
  - What is your budget for promotion

#### F. Competition

- Complete a SWOT analysis of top three competitors.
- Identify how you determined these to be the top three.
- Explain how you plan to overcome their strengths and play upon their weaknesses,

## II. MANAGEMENT

#### A. Key Personnel

- Who will manage which functions (Key company officers and/or outsourcing)?
- Include short description background/qualifications in sentence form.
- Include Advisory Board members (if relevant) and their management expertise.

#### B. Policies

- Internal: deals with sales, employee policies, dress codes, reasons for termination, financial controls,
- External: deals with customers: credit, checks, layaway, guarantee/warranty, returns, collections,

### C. Insurance

- List the types of insurance needed for your specific type of business, the total dollar amount of coverage you will need and the expense (premium) of this insurance.

## III. LEGAL

### A. Contracts, Licenses, Permits

- Describe/discuss any of the following that you might have given your business type: contracts, licenses, patents, permits, lease/rent agreements, registrations, supplier agreements, trademarks, etc. Include the cost to obtain. These initial expenses will be used to estimate your start-up costs.

### B. Legal Structure

- Explain which legal structure you have chosen (Sole Proprietorship, Partnership, Corporation, S Corp, LLC, etc.)

## IV. FINANCING AND ACCOUNTING

### A. Start-up Costs

- What will it take in funding to open your doors for business? Include working capital, which is funding you will need for cash flow until revenues are sufficient to pay your bills.

### B. Investment Funds

- Equity investment from owners (how much money will you put into the business), debt financing (how much you want to borrow) and collateral to secure loan.

### C. Revenue Forecasting

- Based upon your market share estimates, what do you anticipate as revenue for your business? Of great importance — what is your profit margin on your revenues? You need to focus on sales that provide high margins (money left over after you have paid for variable expenses directly related to sales). If your revenue streams are cyclical (changing during the calendar year), make sure to indicate since this will impact your cash flows.

### D. Statement of Assumptions

- Cash Flow Statement, Income Statement, and Balance Sheet: Provide in-depth explanations for all sources of revenues, cash, and expenses. We need to see how you've estimated your revenues and expenses over the length of the business plan

### E. Proforma Cash Flow Statements

- Show how much cash you have on-hand at any particular time-3 years

### F. Proforma Income Statements

- Show your net profits/losses over the period of a fiscal year-3 years

### G. Proforma Balance Sheets

- Show your financial position at a particular point in time-3 years

### H. Breakeven Analysis

- Show when your revenues equal expenses — anything above this amount is profit and anything below indicates a loss.

