

BUSINESS PLAN

Workbook

Prepared by: **Akaitcho BDC**
P.O. Box 427
Yellowknife, NT X1A 2N3
(867) 920-2502

This Business Plan Workbook is to be used as a guide to assist you in preparing your business plan.

The business plan describes your business, products/services, and how you intend to market and finance it.

GENERAL FORMAT

- Professional Appearance
- Printed on high quality paper and on one side only.
- Easy-to-read typeface and font size.
- Maintain reasonable margins and borders.
- Number the pages.
- Write concisely with correct spelling and grammar.
- Define acronyms and use sparingly. (ie. ABDC, Akaitcho Business Development Corporation)
- Avoid using contractions. (ie. do not, instead of don't)

COVER PAGE

Identifies your business and usually states the following.

- Business Name
- Business Plan
- Period Covered (Usually 2 – 3 years)
- Submitted to: (Name of organization you are giving the Business Plan to)
- Submitted by: (Name of Contact person for your business, and Business Name)
- Date (Business Plan prepared)
- Logo, other identifying graphic, word phrase, ...

EXAMPLE

TEACUPS, INC.

Business Plan

2004 – 2006

Submitted to: The Financial Group
Submitted by: John Smith, President
Teacups, Inc
Date: July 5, 2004

EXECUTIVE SUMMARY

The Executive Summary captures the reader's interest and covers some key areas from your Business Plan. Briefly summarize your Business Plan, describing its products and services, management and staff, and financial forecasts. (This may be completed after your Business Plan is complete.)

TABLE OF CONTENTS

The Table of Contents provides the reader with an overall picture of the topics in your Business Plan. It is a road map that shows where sections can be found. Ensure page numbers are accurately reflected.

EXAMPLE

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MISSION STATEMENT

Communicates your business's overall goal in two to three sentences to anyone: from employees, customers, partners, suppliers, and the public at large. The Mission Statement clearly expresses what your business is, its purpose, values, for whom and why.

EXAMPLE

Teacups, Inc.

To provide the highest quality of international teas, served hot or cold, in a relaxing and comfortable setting to our valued customers.

BUSINESS BACKGROUND

Introduce your business by first identifying the sector (ie. forestry, tourism ...) and type (ie. manufacturing, service). Explain the nature of the business, how long it has been around; provide some trends, what products/services are offered, required licenses, permits, insurance, environmental and safety considerations. Mention three or four points that will contribute to the success for your business.

Next describe the type of your business, and its legal establishment. For example: sole proprietorship, partnership, limited company, or co-operative. Explain who owns the business, and what is the percentage or proportion of ownership.

Discuss your business's location, offices, suppliers, equipment, furniture, and fixtures. Also note if your business requires start-up renovations. If your business is in a large facility, you may want to provide the square footage and list of machinery. You may also wish to provide more detail, such as lease agreements, in the Appendix.

If your business is based out of your home, take the square foot measurements of your home office, and divide the measurement into the total square foot space of the home. This will give you the percentage that will be used in determining the amount you can expense for business use. For example: if your home office is 10% of your home, you would then allocate 10% of your home heating bill to your business.

Discuss how your business is unique and how it compares to others. (ie. Your travel agency may offer better hours of operation to customers.) Explain why people will want to purchase your products/services, instead of those of others. And what benefits and features you are offering to your customers.

PRODUCTS / SERVICES

List and describe in detail the products / services your business is selling. Discuss what the products / services are, how much they cost, and when you will be selling them. Are your products / services available year round or are they seasonal. Do your products / services require patent, copyright or trademark protection. Express how your business's products / services complement one another. Provide the future developments your products / services may be undertaking.

MARKET ANALYSIS

Customer: Describe your target market, the different groups of your customers. (ie. seniors, teenagers) Provide information on demographics (ie: age, income, gender, occupation, and education), geographic (ie. community, region, territory/province, and country) as well as the overall size of your target market noting the growth potential.

Price: Discuss your business's pricing strategy. Note your business's policy and generally accepted procedures. Mention associated taxes and freight costs.

Distribution: Will you sell directly to customers, or will you employ distributors and sub-contractors. Also explain the methods in which your business will distribute its products / services. (ie. vehicle, truck, air, ...)

Promotions: Discuss how you wish to sell your business. (ie. word-of-mouth, business cards, newspaper, magazine, radio, television, flyers, posters, direct mail, internet, chamber of commerce, ...)

COMPETITION

Identify your competition; noting their location and their strengths and weaknesses. Consider their customer service, prices, image, technology, target market, general operations, and promotions.

MANAGEMENT AND STAFF

List your business's job positions, and note the basic job descriptions. If you know the people who will be employed in each job position, note their names, and summarize their educational background and work experience. You may refer to your business's accepted personal policies and procedures, and training plan.

Also list the business's professional advisors, including your banker, bookkeeper, legal advisor, and so on. Discuss your major supplies and purchase policies. If necessary, design an organizational chart indicating each job position and how it relates to each other. Place all detailed information in the Appendix.

RISKS AND CHALLENGES

List the major risks, threats or potential problems your business may encounter in the foreseeable future and discuss the challenges, opportunities and preventative measures you plan to undertake should they actually occur. (ie. If your business is dependent on incoming cargo and the cargo company's employees go on strike, what will you do? How will you continue to get your products / services to your customer and on time?)

BENEFITS

Community: Identify how the local community will benefit from your business's products/services. (ie. products closer to customer, less waiting time, ...)

Economic: List some economic benefits from your business. (ie. number of employees, less people on Employment Insurance or Social Assistance, new money coming into the local economy, ...)

Environment: Describe how the local physical environment will benefit. (ie. a new recycling business may lessen the garbage and debris on the roadside)

FINANCIAL STATEMENTS

If you are an existing business, provide the most recent financial statements and statements from the two previous years.

If you are starting a new business, provide your personal net worth statement.

- Attach notes to the financials, as they provide more information and help explain the numbers.
- Discuss important assumptions and explain how they have affected your financial projections.
- Also discuss general assumptions, such as, we expect slow growth as opposed to a major recession in our economy.
- If you are quoting actual costs, attach company estimates.
- If necessary, indicate where you expect to obtain funding for your business, such as Akaitcho Business Development Corporation, Resources, Wildlife and Economic Development, Business Development Bank of Canada, business bank, ...)

Start-up Expenses

List of Owner's Equity including cash and other, (ie. grants, loans). List of Expenses such as rent, furniture.

Cash Flow Statement

List of Income and Expenses over a twelve-month period, then annually for year 2 and year 3. The Total Inflow and Total Cash is calculated at the bottom.

Income Statement

List of Income and Expenses. The Profit /Loss is noted at the bottom.

Balance Sheet

List of Assets, Liabilities and Equity. A snapshot of what your business owns and owes.

APPENDIX

- Identify with letters. (ie. Appendix A, Appendix B, Appendix C...)
- The appendices may include job descriptions, personal resumes, lease agreements, promotional material, business license, workers compensation board certificate, special licenses or permits, insurance policy, letters of support, ...

COVER LETTER

TEACUPS, INC.
2000 Hudson Road
Yellowknife, Northwest Territories
X1A 2B8

(867) 920-1111 / Fax: 920-1112 / teacups@north.com

July 5, 2004

The Financial Group
2 Franklin Avenue
Yellowknife, NT
X1A 3V8

Attention: Mike Shaw
 Account Manager

Dear Mr. Shaw:

Further to our recent conversation, please accept this letter and attached business plan as our formal application for funding.

I will contact you in two weeks to set up a meeting so we can further discuss. If you have any questions or require more information, contact me at your convenience at 555-1111.

Sincerely,

John Smith
President

Tea Time Any Time