



LSU-Shreveport Small Business Development Center
LSBDC Network Member

a partnership program with the U.S. Small Business Administration, Louisiana Dept. of Economic Development and LSUS

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I. Executive Summary

This section is a summary, usually no more than one page of the business plan. It briefly covers each major section, including the dollar amount of any funding requested, what it will be used for and how it will be paid back. This section is completed after the rest of the plan has been written.

II. Business Description

A. The Company and the Concept

1. Describe what business your company is in, or will enter.
2. Explain why you chose this type of business.
3. Discuss what legal form of ownership the business will be.
4. If your company has been in business for several years, review its prior sales and profit performance. If your company has had setbacks, discuss these and emphasize what has or will be done.
5. Present the current status and prospects for the industry in which you operate.

B. The Product(s) or Service(s)

1. Describe in some detail your product or service.
2. Highlight any difference between what is currently on the market and your product or service.

C. Facilities and Improvements

1. Describe the current or planned geographical location of your business.
2. For an existing business, describe the facilities, including plant, special tooling, and machinery currently used to conduct business, and discuss whether these facilities are adequate.
3. For a start-up, describe how and when the necessary facilities and equipment will be acquired. Discuss whether equipment and space will be leased or bought and indicate the costs and timing of such actions.

D. Operating Plan

1. Describe the fundamental operating cycle of your business (business hours, days of the week).
2. Explain any seasonality and how it will be handled.
3. Discuss any state, federal or foreign regulatory requirements that affect your business, such as licenses, special permits, environmental approvals or health inspections.
4. For a manufacturing business, discuss the production process for your product.
5. Discuss your suppliers and distribution method.

III. Marketing Plan

Because of the importance of market analysis, you may want to prepare this section of the business plan before any other. Give yourself enough time to be very thorough. This section is usually the most difficult to prepare, but it is the most important.

A. Customers

1. Discuss who the customers for the product(s) or service(s) are or will be. For example, if you manufacture an automotive part, the part might be sold to automotive manufacturers and to parts distributors, so the discussion would need to reflect two market segments.
2. List any orders, contracts, or letters of commitment that you have.
3. For an existing business, list your principal current customers and quantify the amount they buy each year.

B. Competition and Competitive Edges

1. Make a realistic assessment of the strengths and weaknesses of your competitors.
2. Compare competing products or services on the basis of quality, price, performance, service, and warranties.
3. Discuss your three or four key competitors and why customers buy from them. From what you know about the competitors' operations, explain why you think customers might leave them. Discuss what makes you think it will be easy or difficult to compete with them.

C. Advertising and Promotion

1. Describe the approaches you will use to bring your product or service to the attention of prospective purchasers.
2. Present a schedule and approximate cost of promotion and advertising for one year.

D. Pricing

1. Discuss the prices to be charged for your product and service. Compare your pricing policy with those of your major competitors.
2. Describe any discount allowance for prompt payment or volume purchases.

IV. Management Team

This section is a description of the key management personnel and their primary duties. The existence of the proper balance of technical, managerial, and business experience should be demonstrated.

- A. Organizational and Key Management Personnel
 1. Present the key management roles in the company and the individuals who will fill each position. (If the company is of sufficient size, an organizational chart needs to be included.)
 2. Discuss any current or past situations where key management people have worked together that could indicate how their skills complement each other and result in an effective management team.
 3. For each person, describe career highlights, particularly relevant know-how, skills, and track record of accomplishments that demonstrate an ability to perform the assigned role.
 4. State the salary to be paid, the stock ownership planned, and the amount of equity investment of each key member of management.

- B. Other Investors -Describe any other investors in your venture, the number and percent of outstanding shares they own, when they were acquired and at what price.

- C. Supporting Professional Advisors and Services -Indicate the names and affiliations of your legal and accounting advisors.

V. Financial Plan

A. Source and Use of Funds

1. Give the specific uses for the money you will be using.
2. Give the sources for the money, for instance how much you are putting into the business and how much you want to borrow.

B. Actual Income Statements and Balance Sheets

* For an existing business, provide income statements and balance sheets for the current year and for the prior three years. The current financial statements should be current within 90 days of the completion of the business plan.

C. Cash Flow Projections

* Project cash flows monthly for twenty-four months of operation.

D. Pro Forma Income Statements

* Using sales forecasts and the accompanying production or operations costs, prepare pro forma income statements for the first two years.

E. Pro Forma Balance Sheets

* Prepare pro forma balance sheets for the end of each of the first two years of operation.

F. Assumptions for Projections

* Fully discuss assumptions made in preparing the pro forma financial statements. Discuss assumptions, such as those made on sales, the timing of collection of receivables, trade discounts given, terms of payments to vendors, planned salary and wage increases, anticipated increases in any operating expenses, seasonality characteristics of the business as they affect inventory requirements, inventory turnovers per year, capital equipment purchases, and so forth.

VI. Appendices

A. Resumes of Key Management Personnel

B. Additional information as needed

The LSUS SBDC is a service center of the Louisiana Small Business Development Center. The LSBDC operates in partnership with the U.S. Small Business Administration under Cooperative Agreement Number 2-603001-R-0019-18 and the Louisiana Department of Economic Development. The support by the U.S. Small Business Administration through such funding does not constitute an express or implied endorsement of the cosponsor(s) or participants' opinions, products, or services.