

# **SOLANO COLLEGE SMALL BUSINESS DEVELOPMENT CENTER**

## **Business Plan Outline**

### **I. EXECUTIVE SUMMARY**

- A. The Purpose of the Plan**
  - 1. Attract investors
  - 2. Obtain loan to start or expand
  - 3. Document an operational plan for controlling the business
- B. Market Analysis**
  - 1. The characteristics of your target market (demographic, geographic, etc.)
  - 2. The products or services you will offer to satisfy those needs
- C. The Company**
  - 1. The needs your company will satisfy
  - 2. The products or services you will offer to satisfy those needs
- D. Marketing and Sales Activities**
  - 1. Marketing strategy
  - 2. Sales strategy
- E. Product or Service Research and Development**
  - 1. Major milestones
  - 2. Ongoing efforts
- F. Organization and Personnel**
  - 1. Key managers and owners
  - 2. Key operations personnel
- G. Financial Data**
  - 1. Funds required and their use
  - 2. Historical financial summary
  - 3. Prospective financial summary

Note: The Executive Summary should be written last and provide the reader with a succinct overview of your entire business plan.

### **II. TABLE OF CONTENTS**

### **III. MISSION STATEMENT**

### **IV. GOALS AND OBJECTIVES**

### **V. COMPANY DESCRIPTION**

- A. History of Your Business**
- B. Nature of Your Business**
  - 1. Marketplace needs to be satisfied
  - 2. Individuals / organizations with the needs
- C. Your Distinctive Competencies (primary factors that will lead to your success)**
  - 1. Superior customer satisfaction
  - 2. Production / service delivery efficiencies
  - 4. Geographic Location

## **IV. PRODUCTS AND SERVICES**

- A. Detailed Product / Service Description**
  - 1. Specific benefits of product / service
  - 2. Ability to meet demands
  - 3. Competitive advantages
  - 4. Present stage (idea, prototype, small production runs, etc.)
- B. Product Life Cycle**
  - 1. Description of the product / service's current position within its life cycle
  - 2. Factors that might change the anticipated life cycle
- C. Copyrights, Patents and Trade Secrets**
  - 1. Existing or pending copyrights or patents
  - 2. Anticipated copyright and patent filings
  - 3. Key aspects of your products or services that cannot be patented / copyrighted
  - 4. Key aspects of your products or services that qualify as trade secrets
  - 5. Existing legal agreements with owners and employees
    - a. Nondisclosure agreements
    - b. No compete agreements
- D. Research and Development Activities**
  - 1. Activities in process
  - 2. Future activities (include milestones)

## **V. MARKET ANALYSIS**

- A. Industry Description and Outlook**
  - 1. Description of your primary industry
  - 2. Industry characteristics and trends
- B. Target Markets**
  - 1. Distinguishing characteristics of your primary target markets
    - a. Critical needs
    - b. Extent to which those needs are currently being met
    - c. Demographics
    - d. Psychographics
    - e. Geographic location
    - f. Key purchasing decision-makers and influences
    - g. Seasonal / cyclical trends
    - h. Target market size
    - i. Geographic area
    - j. Anticipated market growth / key trends
  - 2. Secondary target markets and key attributes
    - a. Needs
    - b. Demographics
    - c. Psychographics
    - d. Significant future trends
- C. Competition**
  - 1. Identification of key competitors (direct & indirect)
  - 2. Strengths (competitive advantages)
  - 3. Weaknesses (competitive disadvantages)
  - 4. Barriers to entry into the market
    - a. Cost (investment)
    - b. Technology

- c. Key personnel
- d. Customer inertia (brand loyalty, existing relationships, etc.)
- e. Existing patents and trademarks

## **VI. MARKETING STRATEGIES**

- A. Product Strategy
  - 1. Product or service mix offered to primary target market
  - 2. Product or service mix offered to secondary target market
- B. Pricing Strategy
  - 1. Proposed or existing pricing of product or services
  - 2. Competitor's pricing
  - 3. Discount structure (volume, prompt payment, etc.)
- C. Place or Distribution Strategy (Channels of Distribution)
  - 1. Original equipment manufacturers
  - 2. Internal sales force vs. independent reps
  - 3. Distributors
  - 4. Retailers
- D. Promotion Strategy
  - 1. Advertising
  - 2. Public relations
  - 3. Personal selling
  - 3. Printed materials
  - 4. Website

## **VII. OPERATIONS**

- A. Description of Facilities
- B. Production, Service Delivery Procedures & Capability
- C. Suppliers

## **VIII. MANAGEMENT AND OWNERSHIP**

- A. Key Managers & Staff Structure
- B. Planned Additions to the Current Management Team
- C. Legal Structure of Business
  - 1. Sole Proprietor
  - 2. Partnership
  - 3. Limited Partnership
  - 4. Corporation
  - 5. Limited Liability Company (LLC)
- D. Owners
  - 1. Names and Percentage of ownership
  - 3. Extent of involvement with company
  - 4. Form of ownership (common stock, preferred stock, general or limited partner)
- F. Board of Directors
  - 1. Names
  - 2. Position on the board
  - 3. Extent of involvement with company
  - 4. Background
  - 5. Contribution to the company's success

## **IX. FUNDS REQUIRED AND THEIR USES**

### **A. Current and Future Funding Requirements**

1. Amount and use of funds
  - a. Capital expenditures
  - b. Working capital
  - c. Debt retirement
  - d. Acquisitions
2. Timing
3. Type
  - a. Equity
  - c. Debt
4. Terms

## **X. FINANCIAL DATA**

### **A. Historical Financial Data (past 3-5 years)**

1. Annual statements
  - a. Income
  - b. Balance sheet
  - c. Cash flow

### **B. Prospective Financial Data (next three years)**

1. First year by month, summary years two & three
  - a. Income
  - b. Balance sheet
  - c. Cash flows
2. Summary of significant assumptions

### **C. Analysis**

1. Historical financial statements
  - a. Ratio analysis
  - b. Trend analysis
2. Prospective financial statements
  - a. Ratio analysis
  - d. Trend analysis

## **XI. APPENDICES OR EXHIBITS**

- A. Resumes of Key Managers
- B. Pictures of Products
- C. Professional References
- D. Market Studies
- E. Patents
- F. Significant Contracts
  1. Leases
  2. Sales contracts
  3. Purchase contracts
  4. Partnership / ownership agreements
  6. Employment / compensation agreements
  7. Non compete agreements
  8. Insurance