

# Aurora-South Metro SBDC Business Plan Outline



## Business Plan Outline

### I. Cover Page/Title page:

- A. Owner's Name, Address, Phone number, email, website, etc.
- B. If seeking a loan add: Company title page, names and addresses of principal owners, general partners, and/or officers. List date of issue and add "Copy Number\_X\_" to control copies. Ask reviewers to sign a confidentiality agreement and indicate return of copy is required.

### II. Table of Contents: A single page showing major topics and page references.

### III. Executive Summary:

- A. Write this section last, and only include if you are requesting funding. This is a compilation of facts and figures from Sections IV through VIII.
- B. Cover the purpose of the plan, structure of your business, ownership issues and how the venture will be successful.

For a Financing Proposal, answer the following questions:

- a. Who is requesting the funds and how much is needed?
- b. Why are the funds being requested?
- c. How will the funds be repaid?
- d. What collateral will be offered to secure the loan?
- e. Why does this loan or investment make sense? (Show impact on the local economy, job creation, increased tax base, investing in the community, etc.)

### IV. Description of the Business/Mission/Goals & Objectives:

- A. General business description
  - a. Discuss business status (Start-up, expansion, purchase, buy-out, existing).
  - b. Discuss potential contract work. Include contract terms in appendix.
  - c. Discuss commitments of intent from prospective customers or suppliers.

For existing businesses, answer the following:

- a. What is the history of the business?
- b. If the business is failing, explain why. How can you turn it around?
- c. How will your management make the business more profitable?
- d. What is the purchase price formula (Building, improvements, equipment, inventory and goodwill)?
- B. What is your mission statement?
- C. Goals & Objectives (Specific milestones, revenues, new products, hires, succession planning)
  - a. What are your short-term goals? (0-1 year)
  - b. What are your long term goals? (2+ years)



#### AURORA-SOUTH METRO SBDC

Helping existing and new businesses grow and prosper!

**Aurora office:**  
City of Aurora  
Aurora Municipal Center  
15151 E. Alameda Pkwy., #2300  
Aurora, CO 80012



#### South Metro offices:

**Innovation Pavilion**  
9200 E. Mineral Ave.  
Centennial, CO 80112



**City of Englewood**  
Englewood Civic Center  
1000 Englewood Pkwy.  
Englewood, CO 80110



All offices by appointment only:



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## V. Industry Background Information/Research:

- A. Industry Size, Trends and Description
  - a. Describe your industry and its history.
  - b. Describe the industry's size, current/future trends.
  - c. Explain how the current economic conditions will affect your business.
- B. Business Fit in the Industry
  - a. Are you a large or smaller player within the industry?
  - b. How will you make an impact?

## VI. Organizational Matters:

- A. Business Structure, Management, and Personnel
  - a. Legal Structure: What is/will your business structure and when did/will you register with the Secretary of State?
  - b. Management
    - i. What is your business and management experience? Describe your education (Formal and informal) Are you physically suited to the job?
    - ii. List any other management positions within the business and their job responsibilities.
  - c. Personnel
    - i. Describe your organizational structure and include brief job descriptions (Include a chart if necessary).
    - ii. Describe personnel needs for the next three years. List the skills your employees must have, especially professional needs. (i.e. engineers). Discuss whether you will train your employees; hire only trained workers, use part-time help or independent contractors.
    - iii. List proposed salaries and wages. Are they consistent with the industry norm?
  - d. Outside Services/Advisors
    - i. List management resources that are available (Accountant, lawyer, SBA, SCORE, SBDC, etc.).
  - e. Risk Management/Licenses and Permits:
    - i. Is your business name registered with the appropriate state and local agencies?
    - ii. What other licenses or permits will you need? Have you applied for them?
    - iii. State how you will be affected by local zoning regulations.
    - iv. Describe your potential business risks and what insurance coverage you will purchase.

## VII. Marketing Plan:

- A. Products/Services
  - a. What is your product or service?
  - b. What are the benefits to the customer?
  - c. Discuss the seasonality of your business/industry and how it relates to what you are doing.
  - d. Discuss your plans for future products/services.
- B. Market Analysis
  - a. Customer Analysis: Explain who needs your product/service, and how you plan to reach them. Describe the geographic, demographic and psychographic parameters or your target market groups.
  - b. Competitive Analysis
    - i. Who are your competitors? What are their strengths and weaknesses? What are yours? Who are the strongest competitors? How likely is it that new competitors will enter your market?
    - ii. How can you serve the market better than your competition? (Service, quality, hours)
  - c. Market Potential
    - i. Current trade area description. In what area do you operate?
    - ii. Market Size and Trends
      - a) What market do you intend to serve?
      - b) What is the present size and growth of the market? Document your sources.
      - c) What percent of the market will you have now and in the future? How quickly can you reach that percentage? (Document sources)

- C. Marketing Strategies
  - a. Location/Distribution
    - i. What is your business address and why did you choose that location?
    - ii. Will the building/space be leased or owned? List terms and length of contract or note.
    - iii. What renovations will be needed and at what cost? How will they impact your lease?
    - iv. Describe the neighborhood (i.e. stable, changing, improving or deteriorating). Is there any competition?
    - v. How much can your business expand before you will be forced to move or add on?
    - vi. How will you distribute your product or service? (Postal, transportation, direct mail, sales, internet)
  - b. Price/Quality Relationship
    - i. What is your pricing structure?
    - ii. What features or services will you offer that will justify your price? Describe your pricing policy.
    - iii. How will you handle credit sales? Will you extend credit – at what terms? Will you accept major credit cards?
  - c. Packaging: How is/will your product or service be packaged?
  - d. Promotional Strategies
    - i. How will you attract and keep your market segment? (Sales, advertising, public relations, etc.)
  - e. Customer Service
    - i. How will you address customer service issues?

## VIII. The Financial Plan

- A. Cash Flow Projections
  - a. Break-Even Analysis
  - b. Monthly Cash Flow Projections—Year One (Detail by month the first year, by quarter the second year and annually the third year; be sure to include notes and assumptions)
  - c. Assumptions/Notes to Cash Flow Projections
- B. Financial Statements
  - a. Projected Income Statement: (Detail by month the first year; by quarter the second year and annually the third year; be sure to include notes and assumptions)
  - b. Projected Balance Sheet
  - c. Statement of Owner's Equity
  - d. Sources and Uses of Funds Statement; Capital Equipment List

For an existing business: include current Balance Sheet and Income Statements (less than 90 days old) and/or Tax Returns for the past three years.
- C. Additional Financial Information
  - a. Summary of Financial Needs
  - b. A brief description of the management reports and statistics you will use to monitor your business.
  - c. Briefly discuss how you would handle the worst case scenario (i.e. how to pay back the loan if your business fails).

## IX. Appendix/Supporting Documents

- A. Personal resumes and financial statements for all principal owners, general partners and/or officers.
- B. Letters of reference (At least three business/personal references)
- C. Letters of intent from prospective suppliers or customers.
- D. Copies of all leases, contracts, agreements, deeds, patents or other legal documents.
- E. Any visual, brochures, pictures, etc. of your products.
- F. Any other information that might help your case or answer potential questions.