

City of Norfolk Capital Access Program Business Plan Outline



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Business Plan



This **Business Plan Booklet** is set up in a question and answer format designed to assist you in thinking through the various aspects of your business and planning for its viability and success. Please use it as an outline for your own narrative or simply fill in the answers.

THINGS TO CONSIDER:

1. **Your Business Plan is a road map for your business.**
2. **The care you take in preparing your Business Plan will show potential lenders how serious you are about your business.**
3. **Presentation is important, and so is content. The more homework you do on your business, the better the Business Plan.**
4. **Make your financial projections as realistic as possible. Do not overestimate sales and operating results, or the time it takes to get things done.**
5. **Do not underestimate capital requirements to start up or expand your business.**



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Cover Page

Business Name:

Business Address:

Employer ID:

**Business Phone
Number:**

Business Fax:

Business Website:

Business Email:

Principal/ Owners

**Contact 1
Name:**

Address:

Phone Number:

**Contact 2
Name:**

Address:

Phone Number:



Mission Statement

Questions:

What is the purpose of this business plan? Is it an Operating Guide? Or a Financing proposal?

What is the business structure (i.e. Sole Proprietorship, partnership, C Corporation, Subchapter S Corporation)?

How much money will you need from loans and/or outside investments? How much will you contribute?

What is the money needed for?

How will the funds benefit the business?

How will the funds be repaid?



Description

General Questions:

Type of Business: Is your business primarily retail, wholesale, manufacturing or service?

Status of Business: Is your business a start-up, expansion of a going concern, or a purchase of an existing business?

Business Form: Sole Proprietorship, partnership, or corporation?

When will (did) your business open?

What hours of the day and days of the week will you be (are you) in operation?

(If yours is a seasonal business, or if the hours will be adjusted seasonally, make sure that the seasonality is reflected in your replies to the two previous questions.)

Questions for a new business:

Why will you be successful in this business?

What is your experience in this business?

Have you spoken with other people in this kind of business? What was their response?

What will be special about your business?

Have you spoken with prospective trade suppliers to find out what managerial and/or technical help will they provide?

Have you asked about trade credit?

If you will be doing any contract work, what are the terms? Reference any firm contract or letter of intent and include it as a supporting document.

Questions for a Business Purchase (if applicable):

When and by whom was the business founded?

Why is the owner selling it?

How did you arrive at the purchase price for the business?

What is the trend in sales?

If the business is not doing well, why? How can you turn it around?

How will your management make the business more profitable?

Competition

**Who are your
five nearest
competitors?**

**How will your
operation be
better than
theirs?**

**How is their
business? Steady?
Increasing?
Decreasing?
Why?**

**How are their
operations
similar and
dissimilar to
yours?**

**What are their
strengths and
weaknesses?**

**What have you
learned from
watching their
operations?**

Location

**What is your
business address?**

**Is your
building/space
leased or owned?
State the terms.**

**Does zoning
permit your kind
of business?**

**What kind of
businesses are in
the area?**

**Have you
considered other
areas? Why is this
one desirable for
your business?**

**Why is this the
building/space for
your business?**

**How does this
location affect
your operating
costs?**

Management

Will you manage the business or will someone else manage the business?

What is your business background?

What management experience have you had?

What education have you had (both formal and informal learning experience) which have bearing on your managerial abilities?

Why are you going to be successful at this venture?

Do you have direct operational experience in this type of business?

Do you have managerial experience in this type of business?



If you are hiring someone to manage this business, what is their background?

Do you have managerial experience acquired elsewhere – whether in totally different kinds of businesses, or through volunteerism?

Who does what in the business? Who reports to whom? And where do final decisions get made?

What other resources do you need to assist your business (accountant, lawyer, etc.)?



Personnel

What are your personnel needs now? In two to three years? Full or part-time?

What skills must they have?

Are the people you need available?

What are their salaries or hourly wages? Overtime?

What fringe benefits will you provide?

Will you have to train people? If so, how and at what cost to the business?



Expected benefit of loan or investment

How is the loan or investment to be spent? Working capital, new equipment, inventory, supplies?

What is the item or items to be bought?

Who is the supplier

What is the price?

What is the specific model name and/or number of your purchase?

How will the loan assist your business or make your business more profitable?



Sources and Uses of Cash

Sources of cash:

I. Bank Loans:

Mortgage Loan:	\$ _____
Term Loan:	\$ _____
Line of Credit:	\$ _____
2. Personal Investment	\$ _____
3. Other:	\$ _____
Total	\$ _____

Uses of cash:

1. Purchase Building		\$ _____
2. Equipment		\$ _____
3. Renovate		\$ _____
4. Leasehold Improvements		\$ _____
5. Furniture & fixtures		\$ _____
6. Inventory		\$ _____
7. Working Capital		\$ _____
8. Reserve for contingencies		\$ _____
	\$ _____	\$ _____
9. Other	\$ _____	\$ _____
	\$ _____	\$ _____
Total		\$ _____



Capital Equipment List

<u>Major Equipment</u>	<u>Model</u>	<u>Cost or List Price</u>
		\$
		\$
		\$
		\$
		\$
	Total	\$
<u>Minor Shop Equipment</u>		\$
		\$
		\$
		\$
		\$
	Total	\$
<u>Furniture & Fixtures</u>		\$
		\$
		\$
		\$
		\$
	Total	\$
Other		\$
		\$
	Total	\$
Total Equipment		\$

Financial Data

Balance Sheet as of: _____



	Assets		Liabilities & Net Worth
<u>Current Assets</u>		<u>Current Liabilities</u>	
	Cash	\$ _____	
	Accounts Receivable	\$ _____	
	Inventory	\$ _____	Accounts Payable
	Prepaid Expenses	\$ _____	Current portion Ltd.
	Other	\$ _____	Other
		\$ _____	
Total Current Assets		_____	Total Current Liabilities

<u>Fixed Assets</u>		<u>Current Liabilities</u>	
	Furniture & Fixtures	\$ _____	Notes Payable
	Vehicles	\$ _____	Bank Loan Payable
	Equipment	\$ _____	Other Loans Payable
	Leasehold Improvements	\$ _____	Other
	Building & Land (net)**	\$ _____	Total long-term liabilities
		\$ _____	
Total Current Assets		_____	Total Current Liabilities

			Net Worth: Owner's
			\$ _____
Total Assets			Total Liabilities and Net Worth

(Note: Total assets should equal total liabilities & net worth)



<u>Accounts Payable</u>	Name of Account	(Amount)
1.	_____	\$ _____
2.	_____	\$ _____
3.	_____	\$ _____
4.	_____	\$ _____
	Total:	\$ _____

<u>Accounts Payable</u>	Name of Account	(Amount)
1.	_____	\$ _____
2.	_____	\$ _____
3.	_____	\$ _____
4.	_____	\$ _____
	Total:	\$ _____

<u>Accounts Payable</u>	Name of Account	(Amount)
1.	_____	\$ _____
2.	_____	\$ _____
3.	_____	\$ _____
4.	_____	\$ _____
	Total:	\$ _____



Financial Data

Projected Income Statements

Two Year Summary

	<u>Year 1</u>	%	<u>Year 2</u>	%
	\$		\$	
1. Sales				
Less Cost of Goods Sold				
2. Gross Profit				
3. Operating Expenses				
Employee Wages				
Payroll Taxes				
Outside Services				
Office Supplies				
Repairs & Maintenance				
Advertising & Promotion				
Car, Delivery, & Travel				
Accounting & Legal				
Rent				
Telephone				
Utilities				
Insurance				
Taxes & Licenses				
Interest				
Depreciation				
Miscellaneous				
Other Expenses				
4. Total Operating Expenses				
5. Profit (loss) Pre-Tax (Line 2 Minus Line 4)				
6. Income Taxes				
7. Net Profit (Loss) (Line 5 Minus Line 6)	\$		\$	

Assumptions:



PROJECTED CASH FLOW BY MONTH

(Page 1)

		1st month	2nd month	3rd month	4th month	5th month	6th month
1. Your Investment	\$						
2. Less Start-Up Costs							
3. Remainder (*)	\$						
4. Beginning Cash	\$						
Plus: Cash Sales							
Collections of A/R's							
Loans and other cash income							
5. Total Available Cash	\$						
a. Purchase of Inventory							
b. Employee Wages-Gross							
c. Payroll Taxes, etc.							
d. Outside Services							
e. Office Supplies							
f. Repairs and Maintenance							
g. Advertising							
h. Car, Delivery, & Travel Exp.							
i. Accounting, Legal, etc.							
j. Rent							
k. Telephone							
l. Utilities							
m. Insurance							
n. Real Estate Taxes							
o. Interest on Term Loans							
p. Other Expenses							
6. Total Expenses	\$						
#5 minus #6							
Less Owner's Withdrawals							
7 Balance	\$						
Less payments due on fixed (term) payment loans							
Other loan payments							
8. Ending Cash(**)	\$						



PROJECTED CASH FLOW BY MONTH

(Page 2, continued from previous page)

	7th month	8th month	9th month	10th month	11th month	12th month	Total (***) 1-12 months
4.							
5.							
a.							
b.							
c.							
d.							
e.							
f.							
g.							
h.							
i.							
j.							
k.							
l.							
m.							
n.							
o.							
p.							
6.							
7.							
8.							