

# BUSINESS PLAN OUTLINE

- I. Cover Letter
  - A. Dollar amount requested
  - B. Terms and timing
  - C. Type and price of securities, if any
- II. Executive Summary
  - A. Business description
  - B. Business goals
  - C. Summary of financial needs and application of funds
  - D. Earnings projections and potential return to investors
- III. Market Analysis
  - A. Description of total market
  - B. Industry trends
  - C. Target market
  - D. Competition
- IV. Products or services
  - A. Description of product line
  - B. Proprietary position: patents, copy rights, and legal and technical considerations
  - C. Comparison to competitors' products
- V. Manufacturing process (if applicable)
  - A. Materials
  - B. Source of supply
  - C. Production methods
- VI. Marketing strategy
  - A. Overall Strategy
  - B. Pricing policy
  - C. Methods of selling, distributing and servicing products
- VII. Management plan
  - A. Form of business organization
  - B. Board of directors composition
  - C. Officers: organization chart and responsibilities
  - D. Resumes of key personnel
  - E. Staffing plan/number of employees
- F. Facilities plan/number of employees
- G. Operating plan/schedule of upcoming work for next one or two years
- VIII. Financial data
  - A. Financial statements (previous three to five years)
  - B. Five-year financial projections (first year by quarters; remaining years annually)
    1. Profit and loss (income) statements
    2. Balance sheets
    3. Cash flow projections (monthly for two years)
    4. Capital expenditure estimates
  - C. Explanation of projections (Assumptions)
  - D. Key business ratios
  - E. Explanation of use and effect of new funds
  - F. Potential return to investors; comparison to average return in the industry as a whole

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  - Brief and to the point
  - If the summary and financial projections make financial sense, the rest of the plan will have additional value.
  - Plans should be no more than 20-25 pages long.
  - Additional research data, surveys, letters of intent, resumes, catalog pages, samples, diagrams, and other information should be included in a separate binder or folder as the appendix. (loose-leaf binder)
  - Have someone read your plan for style, spelling, grammar, accuracy, consistency, and completeness.
  - An easy plan to read and understand