



Writing a Business Plan

A comprehensive business plan allows you to take risks on paper and allows you to assess the potential obstacles and rewards that you will encounter with your business. MetroAction recommends that you include, at minimum, information related to the areas listed below. MetroAction's Small Business Institute program provides more in-depth details on developing a comprehensive business plan.

Company Overview

Describe the nature of your business

- Describe your products and services.
- Describe the history of your business if it is an existing business, or how you developed your idea to start a new business.
- What are your strengths and weaknesses? What is your strategy to address your weaknesses?

Describe your business environment

- Where will your business be located and why did you choose this location?
- What is the visibility and traffic flow?
- Do you own, rent or lease the location? If you rent or lease, what are the terms of your agreement? What will you do when your agreement expires?
- Describe the legal structure (sole proprietorship, partnership, corporation, LLC, LLP) of your business, including why you chose this structure. Be sure to indicate if your structure is already legally established.
- Describe your experience in this business and how it will help you succeed.
- Describe your reason for believing the business will succeed.

Marketing Plan

Describe your products and services

- What customer need or want is being filled?
- What are the features and benefits of your products or services?
- How will your product be made or how will your services be provided?
- Who will supply the materials?
- What future products/services will you offer, and when?
- How will your products or services be distributed?
- What will your market position be?
- What is your competitive advantage — why will customers buy from you, instead of the competition?
- What will the image of your business be?
- What will your packaging look like? (attach samples if available)
- What do your business cards and promotional materials look like (attach samples if available)

Describe your industry and competition

- What is happening in your industry (is growing, stable or declining)?
- What do you believe the future holds for this industry?
- Who are your main competitors and where are they located in proximity to your business?
- What are their strengths and weaknesses?
- What has been the failure rate of your competitors in the last few years and why have they failed?

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Describe your customers and pricing strategy

- Who are your customers — what does your customer profile look like?
- How many customers will your business have?
- What information do you have that supports your decisions about your customers?
- What is the growth potential for this business? What is your plan for growth?
- What information do you have that supports your decisions about growth?
- How did you determine your pricing strategy?
- How do your prices compare to the competition?

Describe your marketing goals and strategy

- Where do you see your business in the next two to five years?
- Why do you think these goals are realistic and how will you measure your success?
- What is your promotional plan?
- What is your initial marketing budget and what is your monthly marketing budget?

Operations Plan

Describe your management capacity

- Who will handle which functions in the business?
- What will their duties and qualifications be?
- If hiring employees, how many will you have and what will their duties be?
- Who will hire, train and supervise your employees?
- What will it cost your business for the first two years?
- What will your owner draw be for the first two years?
- Who will your lawyer, accountant, insurance agent and other advisory team members be?

Describe your daily operations

- How will you manage your record keeping, finances and inventory?
- What licenses, permits or regulations will affect your business? (Attached copies if applicable)
- What types of insurance will you need?
- Will you have to collect and pay sales tax, and if so, how much and to what entity?
- What types of payments will you accept (cash, check, credit cards, house accounts, etc.)?

Describe your contingency plan

- What contingency plans have you made for you?
- What will you do if you become sick or injured, or in the event of a family or personal emergency that takes you away from the business? Who will take care of the business? How much will it cost?
- What types of contingency plans have you made for the business?
- What will you do if sales are not what you expected? What will you do to increase them?
- What will you do if costs are higher than you expected? What will you do to decrease them?
- How will you make decisions to continue to stabilize or increase your cash flow and profits?
- What will you do if a competitor lowers its prices?

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Cash Flow Plan

Describe your business finances

- How is your business financed? What is your personal contribution to the business (cash, collateral, "sweat equity", etc.)?
- Have you applied for other funding? If yes, please explain.
- Do you anticipate applying for additional funding within two years? If yes, please explain.

Describe your financing request

- How do you intend to use the funds that you are applying for? Give a specific breakdown of the intended use(s).
- What is your loan repayment strategy? What is your contingency plan if sales do not materialize as expected?

Describe your cash flow projections

- Explain the assumptions you used to develop your cash flow projections.

Child Care Providers

Describe your childcare services

- Describe the enrollment of your organization by age and type of care.
- What is your definition of quality child care?
- Describe how your business provides quality child care as you've described.
- Will you provide any special services? If so, provide an explanation.
- Does your staff or organization have any special certifications?
- Will you provide child care to children with special needs? If so, provide an explanation.
- Describe your daily schedule of activities.

Required Attachments

- Three most recent years of your personal income tax returns.
- Three most recent years of your business income tax returns (if available).
- Interim financial statements.
- Copy of any licenses and permits you are required to have
- Copies of franchise contracts, purchase agreement, letters of intent, existing contracts, etc.
- Examples of your brochures, business cards and other materials.
- Resumes for all principals and key staff.