

BUSINESS PLAN OUTLINE

Cover

- A. Name
- B. Address
- C. Phone number
- D. Name & position of person to contact
- E. Issue date of plan

Table of Contents

List of Figures

I. Executive Summary (2-5 Pages)

A. Business Description

- 1. Products/Services
- 2. Target market and market need
- 3. Competition and competitive advantage
- 4. Marketing strategy

B. Management Team

- 1. Relevant experience and special skills
- 2. Management weaknesses and plan to correct

C. Financial Projections Summary (3-5 Years)

- 1. Income statement
- 2. Balance sheet
- 3. Cash flow
- 4. Key financial ratios

D. Funding Requirements

1. Capital required and how to be spent
2. Investor rate of return

II. Business History

A. History

1. When founded, where and by whom
2. Founders relevant roles in company

B. Legal Structure

1. Form of organization
2. Company's capitalization and distribution of equity
3. Stock options, warrants, and royalties

C. Products/Services

1. Product or services company has developed or marketed
2. Success to date of each
3. Relevance of past performance to potential

III. Product/Services

- A. Describe each product/service in detail
- B. Specify cost and profit for each product/service
- C. Forecast product/service changes and discuss new opportunities
- D. Discuss government approvals, clearances, contracts
- E. List patents, trademarks, copyrights

IV. Market

- A. Who and where are the customers for each market segment?
- B. Histories (last 5 years) and projected (next 5 years) growth for each market segment
- C. How does each market segment make the purchasing decision (senior mgmt, operating mgmt, technical mgmt, admin, mgmt, purchasing agent, individual consumer)?
- D. How does each market segment purchase the product (competitive bidding, annual or long-term contract, unit purchase)?
- E. What are the critical product characteristics (performance, reliability, durability, availability, price, service, other)?
- F. Does the market have any special characteristics (seasonal, cyclical, other)? G.

What is your current market share in each market segment?

V. Competition

- A. Who are competitors in each market segment?
- B. What is market share of each competitor?
- C. What are strengths/weaknesses of each competitor?

VI. Marketing Strategy

- A. What is your projected market share in each market segment over next 5 years?
- B. What is the rationale for projected market share and from which competitors will market share be captured and why?
- C. Is there a particular market niche to be filled and what strategy will be employed to gain market share in that niche?

- D. How are competitors likely to react to your entry (or increased entry) into a particular market and how do you plan to respond to key marketing ploys used against you (e.g., price reduction, extended warranties, enhanced service)?
- E. Are there any new competitors that might enter the market areas you plan to pursue and how do you plan to respond to these new entrants?
- F. How do you plan to price your products and how will your prices compare with the existing price structure in the marketplace? Will you offer any special inducements to customers such as extended warranties? How do you expect competitors to react to your pricing strategy and will their actions alter your market projections? If no, why?
- G. How will you sell your product in each market segment (company sales force, manufacturers, representatives, direct mail)? How does your sales plan compare with existing market practices?
- H. What are your promotional concepts (advertising, public relations, other forms of marketing support)? How do you plan to generate market awareness for new or existing products?

VII. Manufacturing and Operations

- A. Summarize nature, extent and quality of your manufacturing and research facilities (include facility layout if available).
- B. Discuss production strengths and weaknesses and indicate how you plan to correct any limitations.
- C. Indicate the timing, cost and importance of any planned expansions.
- D. Discuss any materials or components that are critical to your production and their ready availability at a reasonable price. Are there alternative sources of supply available for critical components?
- E. Summarize your production plan and milestones for each product/service.

VIII. Management and Organization

- A. Organizational chart showing staff and operating functions.
- B. Brief description of key people, job function and any weaknesses to be corrected.
- C. Minimum qualifications and level of compensation for unfilled slots.
When and how will open position be filled?
- D. List all directors and advisors.
- E. Summary of how and why management team will lead to success of business.

IX. Financial Projections

- A. Company's past financial statements (income statement, balance sheet, sources and uses of funds statement) for three years if available.
- B. Current financial statements.
- C. Projected income statement, balance sheet, and cash flow statement for the next three to five years.
- D. Income statement, balance sheet and cash flow projections on a monthly basis for first year.
- E. Performance measurements for financial projections and comparison with similar existing businesses.
- F. List of assumptions used in financial projections including sales units and prices.
- G. Details of funding request and how, where and when funds will be spent. H.
Investor return on investment analysis.

X. Appendices (Optional)

A. Detailed Product Descriptions/Technical Articles.

B. Detailed Operating Plans.

C. Detailed Resumes of Officers.

D. Detailed Financials.

NOTE: Total plan (exclusive of Appendices) should be 20-30 pages in length.