SCORE | San Luis Obispo
FOR THE LIFE OF YOUR BUSINESS

Simplified Business Plan

Basic Questions to Answer before Starting a Business

1. Table of Contents (May not be needed in a Simple Business Plan)
2. Executive Summary
   Write this section last. We suggest that you make it two pages or fewer.
   Include everything that you would cover in a five-minute interview.
3. General Company Description
   A. Describe your business?
   B. What is your business goal?
   C. What are your targets? Sales goals? Size of business?
   D. What is important to you in business?

4. Products and Services
   A. What are your Products or services?
   B. What are your competitive advantages?

5. Marketing Plan
   Market research: Internet and other sources to get info about your industry. Use Chamber of Commerce for local information.
   A. Who are your customers? Where are they? How many will you get?
   B. Who are your competitors? - Visit them, how many customers do they get per day? What are their daily/monthly sales? What are their prices?
   C. How do you plan to reach your customers?
   D. Explain your method or methods of setting price
   E. Can you estimate your planned monthly sales for a year? Think in terms of number of Units sold per day/month. Keep notes, you will need to be able to explain how you arrived at your sales numbers.

6. Operational Plan
   A. Do you have a location picked out yet?
   B. Are their special licensing or permits required for your business?
   C. Who are your suppliers?

7. Management and Organization
   A. What might your business structure be? Sole proprietor, S Corporation, C Corporation or LLC?
   B. Who will manage the business on a day-to-day basis?
   C. What experience does that person need to bring to the business?

8. Personal Financial Statement
   A. How much money do you have to invest in your business?
   B. How much money do you need to live per month?

9. Startup Expenses and Capitalization
   A. How much will it cost to start your business?
   B. How much money do you need to have before your business starts making money?

10. Financial Planning
    A. Take your sales projections from section 5.D&E above.
    B. What are your costs?
    C. Profit and Loss statement
       1) Many business owners think of the 12-month profit and loss projection as the centerpiece of their plan. This is where you put it all together in numbers and get an idea of what it will take to make a profit and be successful.
       2) Projections should be accompanied by a narrative explaining the major assumptions used to estimate company income and expenses.
       3) Research Notes: Keep careful notes on your research and assumptions, so that you can explain them later if necessary, and also so that you can go back to your sources when it's time to revise your plan.
    D. Projected Cash Flow: If the profit projection is the heart of your business plan, cash flow is the blood. Businesses fail because they can't pay their bills. Every part of your business plan is important, but it means nothing if you run out of cash.
    E. Will you be able to live on the net profit?