

## **Business Plan Project: Unit #3**

### **Financial Plan**

These following topics are taken from the Business Plan Project Appendix.

For an example of a financial plan, see:

[https://www.bplans.com/coffeehouse\\_business\\_plan/financial\\_plan\\_fc.php](https://www.bplans.com/coffeehouse_business_plan/financial_plan_fc.php)

Also see [www.bplans.com](http://www.bplans.com) for examples of business plans generally, and the examples of business plans in the “About” section of Google Classroom, for which there are also Classroom Copies.

Complete sentences, effort, thought and a professional attitude should all be reflected in what you write.

Each team should submit ONE document in Google Classroom.

You should cite sources in the text where you use the data, and then also include a list of all sources in MLA format at the end of the document.

### **Fifty (50) “Unit Assessment” Points possible**

**REMEMBER to use a Business Plan format to present your information. Headers, paragraphs, bullets and full sentences. Do NOT just address each topic by itself. See examples described above.**

**IN ADDITION**, you should use the financial model reviewed with Mr. Case of Junior Achievement as a basis for the

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### **Background**

- **Names of Student Business Partners**
- **Name of Business**
- **Current Business Concept**

(See Chapter 5: this should be 2-4 sentences that describe the product/service, its distinctive benefits, the target customers and how you plan to distribute/deliver the product service - think “elevator pitch”)

## Financial Plan

The Financial Plan presents financial forecasts and explains the assumptions made when calculating forecast figures. It includes the investment proposal and a financial model.

In your business plan, you will want to present the Financial Plan sections in the following order. **HOWEVER, you should create the Financial Plan in the reverse order: Financial Assumptions, then create Projected Statements, then prepare your Investment Proposal.**

### *Investment Proposal*

- Describe why you are applying for financing and how you plan to raise and use the money.
- Project the total cash needed to start the business
- Include details about revenue streams the business will generate
- Project when your investors can expect to:
  - Recoup their investment (i.e., receive back an amount equal to their investment) AND
  - Earn a sufficient return (e.g., 5-10X their investment)
- Define how investors can cash out their investment and achieve liquidity. **[NOTE: Discuss with Mr. Newkirk whether and how to cover this point.]**

### *Projected Three-Year Income & Cash Flow Statement*

- Prepare a three-year income projection that includes monthly projections for revenues, expenses, and profits for the first year, and annual projections for years 2 and 3.
- Plan a cash budget that forecasts monthly cash inflow (cash revenue from sales) and outflow (cash disbursements) projections for the first year, and annual projections for years 2 and 3.
- Prepare a break-even analysis detailing when the company's expenses will match the income. If this occurs in years 2 or 3, estimate the month in which it will occur and explain this estimate.
- Present data in at least two (2) graphical formats.

### *Financial Assumptions*

- Identify, categorize, and analyze the start-up costs, and the ongoing cost of goods sold ("COGS") and operating expenses.
- State the other assumptions on which the financial projections are based.
- Explain how you derived forecasts for sales, costs of goods sold, operating expenses and any other items in the financial model. These explanations must include references to the sources of the data you used for the assumptions in the financial projections.

NOTE: The estimated expenses should reflect the promotional plan budget AND be consistent with the other aspects of your business plan.

## **Sources**

You should cite sources in a shortened format in the text where you use the data, to allow the reader to understand the nature of the information and then also include a list of all sources in MLA format in this section.