



RAINY RIVER FUTURE
DEVELOPMENT CORPORATION
A Community Futures Development Corporation



BUSINESS PLAN OUTLINE

NAME: _____

BUSINESS: _____

TELEPHONE: _____

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Writing Business Plans

What is a business plan?

The business plan is a written summary of the overall business activities; it is a blueprint for the future. It is a report on the company's sources and uses of funds, its management personnel and labour relations, its products and marketing strategy, its production techniques and research program. It describes the past, present and future of the enterprise. When it is properly prepared, the business plan becomes the blueprint for financing. It should be complete, organized and factual. It forces management to research and plan the day-to-day operations.

Why do a business plan?

- it can help you focus in a logical and organized manner, on the future growth of your company
- it is an essential tool to obtaining money from a lender
- it expresses your goals and budget and allows you to monitor your progress
- it will show you the difference between profit and cash flow
- the plan is for YOU - as well as the lender

What does a business plan say?

6. What industry you are in.
7. The background of your company.
8. A description of your products/services.
9. Your market and how you will reach it.
10. Pricing and delivery policies.
11. Where you will operate from.
12. What assets you have or need.
13. A description of how your product is made or how you will provide your services.
14. What management and employees are required.
15. Any potential problems or risks.
16. What you need money for.
17. Your financial data.

Do you need a business plan?

- YES! YES! YES!
- ALL successful businesses start with a business plan!
- If you want to borrow money from any lending institution, you **NEED** a business plan before they will seriously consider lending you money.
- A business plan proves that you are serious about business and that you understand all aspects of the business.

THE BUSINESS PLAN

BUSINESS DESCRIPTION

Company Name: _____

Address: _____

Telephone Number: (1) _____ (2) _____

Is this a new or existing business? New Existing

Is the property: Owned Date Purchased: _____

Leased Date Leased: _____

Provide a brief summary of the business you will be involved in:

Why do you think there is an opportunity for this business to be successful?

Form of business ownership: Sole Proprietorship Partnership

Joint Venture Corporation

Date of Registration/Incorporation: _____

Expected Startup/Purchase date: _____

Who are the principal owners and what percentage of equity does each principal own?

Name: _____ % ownership _____

Name: _____ % ownership _____

Name: _____ % ownership _____

What are the main reasons for you to venture into self-employment?

1. _____
2. _____
3. _____
4. _____
5. _____

THE PRODUCT OR SERVICE

Describe specifically what your business will do. What product or service will be provided?

What are your unique features or benefits of your product/service? (What makes you different?)

What additional products/services will be added in the future (if any)?

Will you offer any product/service guarantees/warranties? Describe.

If you manufacture a product, describe how it is made.

Will you have any patents, trademarks, copyrights or other intellectual property to protect?

THE MARKET

What types of people will buy your product or service?

Age Group Children Adolescents 20-29 30-39 40-49 50-59
 60+

Gender Male Female

What is their status? Married Single Divorced Widowed Other

What income level will they be in? up to \$20,000 \$20,000-\$30,000
 \$30,000-\$40,000 \$40,000-\$50,000 \$50,000-\$60,000 \$60,000 +

What education level will they be? high school or lower college or university
 trades other _____

What will their occupation be? _____

Do they have a specific cultural or ethnic background? _____

Are there any other specific traits of your customer (for example, athletic)?

The Survey

Example Questions for a Market Survey

- ▶ Have you heard of (business name/product)?
- ▶ How much would you pay for (product)?
- ▶ Do you think (name of town/district) needs another (business)?
- ▶ Would you be interested in samples/specials for (product)?
- ▶ When would you shop for (product), what hours?
- ▶ What other types of (products/services) would you be interested in?
- ▶ When would you use/buy this (product/service)?
- ▶ Do you have any other comments?

These are just examples of questions to ask in a survey, each business will vary depending on the type of product/service that is being offered. Take the time to design your own survey (specific to your business) and then either do telephone surveys or have people fill them out. We suggest you contact as many people as you can to get a good idea of what your market is.

Your survey questions:

Briefly describe the results of your survey.

List examples of people you have spoken to who expressed interest in buying your product/service.

What territory will you cover or sell to (the market)? What is the population in the area?

How well is the location of the business accessible to your market?

Describe how the business will be set up (size, layout, etc.) and attach a drawing of the layout of the business.

Describe the general day-to-day operations of the business (include hours of business, days of operation, etc.).

How will you inform your customers of your product/service? How will you promote your business?

What marketing materials will you use? (Business cards, brochures, websites, etc.)

PROMOTIONAL STRATEGY (enter numbers in the boxes below)

Method	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Newspaper Ads												
Radio Ads												
TV Ads												
Magazine Ads												
Business Cards												
Brochures/Flyers												
Website												
Vehicle Signs												
Yellow Pages												
Chamber of Commerce												
Unions & Associations												
Business Networks												

Trade Shows												
Sponsorship												
Special Events												
Door to Door												
Newsletters												
Videos												
Other:												

Will your company be able to attract free media coverage? Explain how you will do so.

Who are your competitors? Give specific names.

Who are your suppliers? What are their credit terms?

How easily can you switch suppliers?

Is this a seasonal business? What are the trends of the business? (Example: Jan - March = 10% of sales; April - June = 10%; July - Sept = 40% of sales; Oct - Dec = 40% of sales)

PRICING AND DELIVERY

What is the price range of your products/services? Give specific examples (Example: Most products retail for \$10.00 - \$60.00; services are charged at \$30.00 per hour).

Are pick-up and delivery relevant to your operation? How?

What is your cost to obtain the products you sell? Use specific examples.

What is your markup percentage? OR What is the fair market value? Explain.

MANAGEMENT

Who will manage the overall operations of the company?

Briefly describe years of experience and qualifications.

What will be the owner's specific duties?

Is your involvement full-time or part-time? ____ Full-time ____ Part-time

How many employees will you hire? ____ Full-time ____ Part-time ____ Total New Employees

For existing businesses: ____ Full-time ____ Part-time ____ Total Existing Employees

What will be the duties of the employees?

Who will do the monthly bookkeeping?

What will your fiscal year be?

Will specific training be required for your employees? Who will provide this service?

FINANCING AND REVENUE

What do you already have pertinent to the business operation? Remember to include cash, assets, inventory, equipment, materials, etc.

Description	Cost	Est. Mkt. Value	Net Book Value
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
TOTALS	\$	\$	\$

What are your start up costs?

Item (Asset)	Supplier	Cost
		\$
		\$
		\$
		\$
		\$
		\$
		\$
		\$
		\$
		\$
		\$
		\$
		\$
TOTAL		\$

Where will the money come from?

Financing	Amount
Loan	\$
Personal Investment	\$
Grant	\$
Other - specify:	\$
	\$
	\$
	\$
Total	\$

NOTE: Total financing should equal total startup costs.

What is offered as security for a loan?

Description	Value
	\$
	\$
	\$
	\$
	\$
TOTAL	\$

What other financial institutions have you applied to and what was their response?

SALES & EXPENSES

What will your sales be for each month over the next year?

Month	Sales - Product 1	Sales - Product 2	Sales - Product 3
1.	\$	\$	\$
2.	\$	\$	\$
3.	\$	\$	\$
4.	\$	\$	\$
5.	\$	\$	\$
6.	\$	\$	\$
7.	\$	\$	\$
8.	\$	\$	\$
9.	\$	\$	\$
10.	\$	\$	\$
11.	\$	\$	\$
12.	\$	\$	\$
TOTALS	\$	\$	\$

Describe how you calculated your estimated sales:

Will you offer credit to your customers? ____ yes ____ no

If yes, what percentage of sales will be collect in 30, 60, and 90 days?

____ 30 days ____ 60 days ____ 90 days

How much will your yearly expense be for the following (NOT INCLUDING STARTUP)?

DESCRIPTION	MONTHLY	VARIABLE	YEARLY
Auto Expenses			
Business Loan Payments			
Equipment			
Freight & Postage			
Insurance			
Interest & Bank Charges			
Legal & Accounting Fees			
Marketing & Promotion			
Material & Inventory			
Office Supplies			
Rent or Mortgage Payments			
Salaries & Wages			
Taxes & Licensing			
Telephone & Fax			
Utilities			
Other			
TOTALS			

Will you have any security deposits to make? (Example: hydro, telephone, installation, first and last month's rent, etc.)

How much are the municipal taxes each year? _____

CASH FLOW FORECAST

A cash flow forecast indicates your estimated sources of business revenue and the projected pattern of business expenses on a monthly basis over the course of a year. Please provide the following information for the next 12 months.

	Startup	Month 1	Month 2	Month 3	Month 4	Month 5
Cash Receipts						
Cash from sales (current month)						
– Previous month (accounts receivable)						
Cash equity contribution						
Other cash received/Loan received						
Total Cash Receipts						
Cash Disbursements						
Auto Expenses						
Business Loan Payments						
Equipment						
Freight & Postage						
Insurance						
Interest & Bank Charges						
Legal & Accounting Fees						
Marketing & Promotion						
Material & Inventory						
Office Supplies						
Rent or Mortgage Payments						
Salaries & Wages						
Taxes & Licensing						
Telephone & Fax						
Utilities						
Total Cash Disbursements						
Cash Surplus (or deficit)						
Opening Cash Balance						
Closing Cash Balance						

“Plan B” is used in the event that your estimates are higher than market conditions allow. To calculate for Plan B, decrease the total by 5% to 20%. This gives you a margin of allowance for possible changing market conditions.

Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	TOTAL	“Plan B”

LIST OF EQUIPMENT & VEHICLES

EQUIPMENT					
Quantity	Description	Model #	Serial #	Year	Price

VEHICLES						
Make	Model	Registration Number	License Number	Mileage	Purchase Price	Condition

BUILDING CONSTRUCTION OR EXISTING STRUCTURE

For a new building or if you are renovating a building, include firm prices and/or estimates where necessary. Items such as location, zoning, services, parking, fire protection, type of construction, landscaping, heating system, electrical systems, etc., will be necessary. Please list these items below.

YOUR PERSONAL FINANCIAL STATEMENT

Besides your business finances, we need to know something about your personal financial strength. This will allow us greater flexibility to package financial solutions that are appropriate for you—and for your business. Please estimate the value of your house, car, etc. at what you believe are current market values. Don't overlook any loan debt or outstanding credit card balances you may have, including income tax. Indicate if you are including your spouse's assets or liabilities in the following information.

Your Net Worth Statement

	You	Your Spouse	Combined
Your Assets			
Cash			
Savings and chequing account balances			
GICs, CSBs, etc.			
Stocks, bonds, mutual funds, etc.			
Pension plan, RRSPs, etc.			
Residence			
Other real estate			
Vehicles			
Other (specify)			
Total Assets			
Your Liabilities			
Credit card balances			
Personal loans			
Loans on life insurance			
Income tax owing			
Residential mortgage			
Other real property mortgages			
Investment loans			
Other (specify)			
Total Liabilities			
Your Net Worth:			
Total Assets minus Total Liabilities			

Description of Assets and Liabilities

What is the address of residential or other property?

How is it registered (e.g. Jointly with spouse)?

Make, model and year of personal vehicle(s).

Description of investment portfolio.

Names and individual balances outstanding on credit card(s).

Provide the following details for mortgages or terms on property or other assets:

Financial Institution	Outstanding Balance	Repayment Terms

REFERENCES

Your most recent employment:

Name	Address	Phone
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Personal Reference (should not be related to you, if possible)

Name	Address	Phone
------	---------	-------

Name	Address	Phone
------	---------	-------

Business Reference (someone that knows your ability to do business)

Name	Address	Phone
------	---------	-------

Name	Address	Phone
------	---------	-------

Credit Reference (someone that you owed money to; not a bank or bank employee)

Name	Address	Phone
------	---------	-------

Name	Address	Phone
------	---------	-------

Reminder: Contact all of your references to advise them they are listed.

Attach the following (if applicable):

- personal resume of owner
- last three years financial statements and current and aged list of accounts receivable and accounts payable (for existing businesses)
- letter of decline from the bank or financial institution

CONGRATULATIONS!

Now that you've completed this planner, it's time to make your appointment with the Rainy River Future Development Corporation. Our number is (807) 274-3276 or 1-800-465-8502. Please complete this last section before you come.

I certify that all the financial and personal information contained in this planner is true in all aspects, and that the projections made herein are based on realistic assumptions.

I authorize the Rainy River Future Development Corporation to obtain such factual and investigative information regarding me and my business from others as permitted by law, to furnish consumer credit grantors and credit bureau particulars of the credit application and subsequent credit experience, if applicable, and to retain this application for their records.

Date	First Name	Last Name	Middle Initial
------	------------	-----------	----------------

Date of Birth	Social Insurance Number	Signature
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Witness Name	Signature
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Date	First Name	Last Name	Middle Initial
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Date of Birth	Social Insurance Number	Signature
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Witness Name	Signature
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Revised: October 16, 2009