

The business plan is an essential tool that allows you to develop your business idea and describe in words how and when you will develop your new business venture. Architects draw plans so that the owners of a house can get a good idea of what design they want. A contractor would not dream of building a home without these plans. So too should the business plan be as essential to your business start-up as a set of architectural plans. A well thought-out and carefully constructed business plan will help to reduce some of the risks and stress associated with starting a business.

1. Your business plan should contain the following items:

General description of the business – Describe what type of business (retail, wholesale, etc.) you will be starting. It should clearly state what product and/or service would be offered, to whom, and what need drives this business idea.

Description of the product(s) and/or service(s) to be offered – Go into further detail of the product and/or service to be offered. Describe the physical make-up of the product (if applicable), its use and appeal, and what stage of the product life-cycle it may be in.

Overview of the current market and competition – It is important to understand the environment in which your new business will be operating. Adequate time needs to be spent researching what products and/or services are currently being offered, and by whom. This will assist in defining what niche areas can be explored.

Commentary on the business location – The location of your business can sometimes make or break your business venture. Two examples could be an airport pick-up service located in Dockyard versus a snowball stand located on Horseshoe Bay Beach. The difference is obvious, but the location should be carefully thought-out and complement your product and/or service.

Profiles of the management team and other key personnel (include resumés) – Good people will be needed to accomplish the objectives outlined in your business plan and you need to indicate in your plan who these people are. Be sure to list the founding entrepreneurs, active investors, key employees, company directors, key advisors, etc. If you have not yet hired your team, include the key attributes required for the position(s) you will be filling, or a job description for key posts.

Include a detailed breakdown of where the borrowed funds will be spent – In this section, outline where the funds will be spent. Be as detailed and thorough as you can. Later, this will serve as a shopping list if and when the loan funds are advanced.

Cash Flow Statement – Include a cash flow statement as part of your business plan, by month, for a period of at least 12 months (see sample cash flow statement on reverse side).

2. Attach:

A copy of the leasehold agreement
Personal financial statements (PFS) for each principal/partner in the business
Copies of brochures for any major equipment or machinery to be purchased and/or price lists
Quotes from any contractor for any work to be done for the space in which your start-up will be located (i.e. renovations)

If the business already exists, please include the following:

List of assets with current market values
Past year's financial statements
List of current major clients
Past business plans (if available)
Cashflow Statements for the next fiscal year (year 2)
New ideas to further develop the existing business
An aging of Accounts Payable and Accounts Receivable

If a guarantee is provided, you must understand your obligations to provide monthly financial statements to BEDC and should commit to them.