

BUSINESS

PLANNING

WORKBOOK

Business Name: _____

Personal Name: _____

Date: _____

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
PRODUCT/SERVICE INFORMATION	2
Short-term Objectives	3
Long-term Objectives	3
MARKET PLAN	4
Consumer and the Market	4
Advertising & Promotion	5
Selling Techniques	6
COMPETITIVE SUMMARY	7
OPERATIONS	8
Suppliers	8
Location	8
Labour	9
Regulations	9
Insurance Coverage	10
MANAGEMENT	11
ACTION PLAN	12
FINANCIAL REQUIREMENTS	13
Project Costs	13
Source of Funds	13
Financing Information	14
Additional Financing	14
Monthly Cost of Living	15
COMPLETION OF CASH FLOW	16
12 MONTH CASH FLOW FORECAST	18
3 YEAR PROJECTED INCOME STATEMENTS	19
APPENDICES	20

EXECUTIVE SUMMARY

- Name of Business:

- Street Address of Business:

Unit # Street Town

- Mailing Address, If Different From Above:

Box # Town Postal Code

- Business Phone Number:

Phone Fax

- E-mail Address:

- Form of Business (i.e. Sole Proprietorship, Partnership, or Corporation):

- Name of Owners or Shareholders, Position Titles, and % of Ownership:

- Date Business was/is expected to be registered or incorporated:

- Total funds required:

- If an existing business, indicate current total value or net worth of business:

➤ **PRODUCT/SERVICE INFORMATION**

- Describe briefly how the business or business idea came about.

- Briefly describe the type of product or service you will be offering.

- List any existing (or pending) Patents or Trademarks, if applicable.

SHORT-TERM OBJECTIVES:

- List your short-term objectives (to be achieved within the first year of operation) and estimated time frame in which it will be completed.

OBJECTIVE	TIME FRAME

LONG-TERM OBJECTIVES:

- List your long-term objectives (achieved after the first year) and an estimated time frame of completion.

OBJECTIVE	TIME FRAME

MARKET PLAN

CONSUMER AND THE MARKET:

- What is the size of your market in terms of area and population? List all Towns and/or major centres within the market area.

- Is your product/service affected by any seasonal patterns or current trends? What impact will these changes have on your business?

- How do you expect to deal with these changes?

- Are there any other risk-reduction techniques or strategies you can use?

- Who is your target consumer? Indicate age, gender, income, and product benefit.

- Define the location in terms of accessibility to the consumer. Include its location in regards to other businesses or conveniences.

ADVERTISING & PROMOTION:

- What is the most effective way to advertise your product/service?

- Briefly describe your advertising strategy for the first year of operation.

- Will you be offering any promotional gimmicks, i.e. two for one deal? Briefly describe.

SELLING TECHNIQUES:

- How do you intend to sell your product/service to the consumer?

- What type of pricing policy will be implemented? And how was this determined?

- Will you offer credit to your customers? If so, under what terms?

COMPETITIVE SUMMARY

- List all competitors within your market area. Indicate their strengths and weaknesses.

COMPETITOR	STRENGTH	WEAKNESS

- What are your advantages over your competition?

- What are your disadvantages?

OPERATIONS

SUPPLIERS:

Name of Supplier	Location	Reliability	Credit Terms
Name of Supplier	Location	Reliability	Credit Terms
Name of Supplier	Location	Reliability	Credit Terms
Name of Supplier	Location	Reliability	Credit Terms

LOCATION:

State the size of:

a. Selling Space	
b. Storage Space	
c. Office Space	
d. Other	

- What type of modifications need or plan to be done to the building before business can be started.

- Will you be leasing the building and/or the property? If so, describe the terms of the lease agreement.

- Will you be purchasing the building and/or the property? If so describe the terms of the purchase agreement.

LABOUR:

No. Of Employees:	Part-Time	Full-Time
At Start-Up	_____	_____
By End of Year 1	_____	_____
By End of Year 3	_____	_____

REGULATIONS:

- Are any special permits or licences required before the business can start operation, and have these been obtained?

- PST Registration Number: _____

- GST Registration Number: _____

INSURANCE COVERAGE:

➤ Have you obtained your insurance yet?_____

➤ Name of (proposed) policy holder:_____

➤ Annual cost of insurance:_____

➤ Please state insurance coverage and deductible.

Building:_____

Contents:_____

Vehicle:_____

Liability:_____

Business Interruption:_____

Other:_____

Other:_____

➤ Life Insurance on Principals:_____

➤ Disability Insurance on Principals:_____

MANAGEMENT

- Give a brief characterization of Personal History with management and please provide a complete resume of all key individuals:

Management Skills	Adequate Knowledge	Assistance Needed	Training Needed
Accounting & Taxes			
Planning			
Organizing			
Financial Management			
Personal Selling			
Promotion			
Decision-making			
Cost Control			
Personnel Policies			
Pricing			
Other:			

FINANCIAL REQUIREMENTS

PROJECT COSTS:

Equipment, etc. (Please specify)		
		\$
		\$
Working Capital Requirements (Please specify)		
Inventory Purchases		\$
Operating Expenses (Less Income)		\$
Bank Loan Repayment		\$
Working Capital		\$
TOTAL PROJECT COSTS		\$

SOURCE OF FUNDS:

Personal Contributions (Please Specify):		
Cash		\$
Equipment		\$
Vehicle		\$
Bank Loan(s)		\$
		\$
Other Sources (Please Specify)		\$
TOTAL SOURCE OF FUNDS		\$

FINANCING INFORMATION:

- Please provide specifics on any loans regarding this project. Include the source of financing, amount financed, term of loan, interest rate, monthly payment, and security.

Source: _____

Amount: _____

Term: _____

Interest Rate: _____

Monthly Payment: _____

Security: _____

Source: _____

Amount: _____

Term: _____

Interest Rate: _____

Monthly Payment: _____

Security: _____

Source: _____

Amount: _____

Term: _____

Interest Rate: _____

Monthly Payment: _____

Security: _____

Source: _____

Amount: _____

Term: _____

Interest Rate: _____

Monthly Payment: _____

Security: _____

ADDITIONAL FINANCING:

- Do you require additional financing before your business will be operational? If so, indicate amount required and collateral available.

Personal Monthly Cost of Living Statement

Net Monthly Income, including Spouse's Wage (A)		\$
Rent or Mortgage	\$	
Electricity	\$	
Heating	\$	
Fire Insurance	\$	
Water	\$	
Telephone	\$	
Groceries	\$	
Clothing	\$	
Medication	\$	
Life Insurance	\$	
Recreation and Entertainment	\$	
Auto Insurance	\$	
Auto Repair and Fuel	\$	
Loan Payments	\$	
School Taxes	\$	
Municipal Taxes	\$	
Credit Card Payments	\$	
Restaurants	\$	
Gifts	\$	
Other --	\$	
Other --	\$	
Total Monthly Expenditures	(B)	\$
Net Monthly Surplus	(A minus B)	\$

Completion of Cash Flow

Step 1:

Record all Sales by month. If you have more than one product or service, separate sales figures to provide greater clarity.

For example: a service station might show separate sales for gasoline, tires, and accessories, and service labour.

Step 2:

Now allocate, by month, when all money will be received by your business. Remember, if you grant credit terms, your total sales for each month must be broken down into that portion received in cash during the month of the sales, with the balance shown as Receivables Collected during subsequent months, depending on the terms of the sale.

For example: if the credit terms that you have or will grant to your customers are NET 15, meaning that the customers have 15 days to pay you, then the cash received from the customer for a sale **after the 15th** of any given month will be received in the following month. Therefore, if you sold an item for \$100 on March 20, you wouldn't receive the cash until April, so you would show the \$100 as a cash receipt in the month of April.

Step 3:

Now detail, again by month, when and for what type of expenditure money will be paid out by your business. Remember to include any interest and principal payments resulting from any new or outstanding loans you may need or have.

Clarification of Some Cash Flow Terms

Sales

All cash sales made during the month.

Receivables Collected

All cash collected from sales made on credit during previous months.

Automobile

Includes all cash expenses related to automobile use for the business. Such expenses are fuel, insurance, maintenance, etc...

Insurance

Includes all insurance costs incurred by the business, except for automobile insurance (automobile insurance should be placed under the Automobile category).

Professional Fees

All fees paid to lawyers, accountants, business name registration, etc...

Taxes and Licenses

All business taxes and business licence fees paid by the business.

Wages and Benefits

The wages and benefits paid to all employees of the business (not the business owners). This must also include all mandatory costs such as E.I. and CPP.

Principal Drawings

All cash drawings or payments made to the owners of the business.

Loan Payment - Lender 1

Interest and principal payments made to a lender.

Loan Payment - Lender 2

Interest and principal payments made to a lender.

Purchase Fixed Assets

All fixed assets or capital equipment purchased by the business. This will include land, buildings, machinery, etc... The rule of thumb is if the asset will be used by the business for more than one-year then it should be considered a fixed asset.

Maintenance

All costs associated with maintaining buildings and equipment used by the business, except for automobile maintenance (automobile maintenance should be placed under the Automobile category).

APPENDICES

PLEASE INCLUDE THE FOLLOWING:

1. Business Advisors i.e. Name of Accountant, Lawyer, Banker, and other significant players

2. Detailed Equipment Listing including cost to purchase, expected life, and date acquired.
(See page 20)
3. Any additional reports or surveys not included in the plan.
4. Copies of all documents including lease agreements, business license, franchise agreement, permits, contracts, patent or trademark registrations, loan documentation, Articles of Incorporation and/or business name registration.
5. Any letters of support or recommendation.
6. Any appraisals or opinions of value on equipment or property.
7. Any quotations on costs for construction or equipment.
8. Any extra information or photographs regarding the product or service not included in the plan.
9. Any other pertinent information.

