

THE **KIS** (*Keep it Simple*) BUSINESS PLAN

I. EXECUTIVE SUMMARY Keep It Short!

One and a half pages, emphasizing your professional background (as well as other principals in the business), the business concept, products, customer base, marketing approach, competition and past (if any) or projected (realistic) sales/income. What contingencies do you have if the plan fails?

State how much money you need to borrow (if any)? How much money is being put up by principals and/or others? What is the role of the others in the business? What is your collateral and its appraised market value? How do you plan to pay back the loan?

II. BUSINESS PROFILE

One page that states: Legal structure of the business (e.g., proprietorship, subchapter S, corporation, etc.) as well as the educational and professional background of management and principle stake holders. Brief history of the company (if any) and/or related history of principals. List the company banker, accountant and legal counsel, industry or government regulations that impact on your operation. Include an organization chart (on separate page, if necessary).

III. MARKET PLACE Product/Service, Price, Place & Promotion

Write a primary objective that is both quantitative and qualitative and can be reasonably accomplished in a given time frame. What makes this product/service desirable? Develop strategies that cover the four P's of marketing (above). Market analysis should cover both sales and industry market potential in dollars and volume. Describe, in some detail, the features and benefits of the product/service, competitors and customers. Sales forecasts or revenue should be conservative and tied closely to available resources and justifiable.

IV. FINANCIAL STATEMENTS

Start-up costs: licenses, equipment, inventory, remodeling, deposits, etc. Show a break-even analysis: how many units must be sold to cover fixed and variable costs. Current personal balance sheet should show: *assets, liabilities, and net worth*. Include past personal/business income statements for the past three years. Produce *pro-forma income statements*: anticipated sales, expenses, and net profit or loss projected over the next three years. *Pro-forma balance sheets* should cover: anticipated assets, liabilities and net worth of business.

Finally, when going for a business loan, financial statements should be prepared by an independent accountant, collateral offered should be appraised by an independent appraiser, and collateral and any existing receivables should clearly justify the amount and risk of the loan. Many financial institutions will expect a personal guarantee or co-signer as well, due to economic uncertainties.

“WHEN COMPLETED THE SBDC WILL REVIEW YOUR BUSINESS PLAN DRAFT AND HELP YOU PREPARE FOR A LOAN APPLICATION or BUSINESS LAUNCH”