

BUSINESS

PLANNING

WORKBOOK



Business Name: _____

Personal Name: _____

Date: _____

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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

CONSUMERS 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 deals? 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?

COMPETITION 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
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Name of Supplier	Location	Reliability	Credit Terms
------------------	----------	-------------	--------------

Name of Supplier	Location	Reliability	Credit Terms
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Name of Supplier	Location	Reliability	Credit Terms
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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 licenses 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 regarding management, and provide a complete resume of all key individuals:

Management Skills	Adequate Knowledge	Assistance Needed	Training Needed
Accounting & Taxes			
Planning			
Organization			
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: _____	Source: _____
Amount: _____	Amount: _____
Term: _____	Term: _____
Interest Rate: _____	Interest Rate: _____
Monthly Payment: _____	Monthly Payment: _____
Security: _____	Security: _____
Source: _____	Source: _____
Amount: _____	Amount: _____
Term: _____	Term: _____
Interest Rate: _____	Interest Rate: _____
Monthly Payment: _____	Monthly Payment: _____
Security: _____	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)	\$

PERSONAL INFORMATION STATEMENT:

Surname	First Name and Initials	SIN	Birth Date	Driver's license #	
Present Address		Postal Code	Phone Number	Own/Rent	
Previous Address		Postal Code	Phone Number	Own/Rent	
Most recent Employer and Address			Position	Salary	Number of Years
Previous Employer and Address			Position	Salary	Number of Years
Spouse Name	Spouse SIN		Spouse Birthdate	Number of Dependants	
Spouse Employer and Address			Position	Salary	Number of Years

STATEMENT OF ASSETS:

CASH HOLDINGS	BANK		BRANCH		ACCOUNT NO.	AMOUNT
REAL ESTATE	Address and/or Legal Description	Registered Owner(s)	Mortgage Company (or free and clear)	Monthly Payment	Purchase Price	Present Value
AUTOMOBILES	Make & Model		Year	Other Details	Purchase Price	Present Value
OTHER ASSETS EXCLUDE HOUSEHOLD EFFECTS	Description		Details		Purchase Price	Present Value

STATEMENT OF LIABILITIES:

BANK LOANS	Name of Bank	Address	Terms	Security	Interest Rate	Balance Owning
MORTGAGES ETC.	Name of Bank	Address	Monthly Payments	Maturity Date	Interest Rate	Balance Owning
OTHER LIABILITIES	Description	Details	Monthly Payments	Maturity Date	Interest Rate	Balance Owning

STATEMENT OF PERSONAL NET WORTH:

Assets (From Previous Page)		Liabilities (From Above)	
Cash	\$	Bank Loans	\$
Life Insurance	\$	Mortgages, etc.	\$
Real Estate	\$	Other Liabilities	\$
Automobile	\$		\$
Stocks, Bonds, etc.	\$		\$
Household and Personal Effects	\$		\$
Other Assets	\$		\$
Total All Assets (A)	\$	Total All Liabilities (B)	\$
		Net Worth (A minus B)	\$

COMPLETION OF CASH FLOW FORECAST:**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 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 the **sale after the 15th** of any given month will be received in the following month. Therefore, if you sold on time 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.

CASH FLOW FORECAST:

CLARIFICATION OF 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 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, accountant, business name registration, etc..

Taxes and Licenses

All business taxes and business license 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).

PRO-FORMA INCOME STATEMENT	<u>Year - 1</u>	<u>Year - 2</u>	<u>Year - 3</u>
REVENUE:	\$	\$	\$
Sales	\$	\$	\$
Other Income	\$	\$	\$
TOTAL REVENUE	\$	\$	\$
COST OF GOODS SOLD	\$	\$	\$
GROSS PROFIT	\$	\$	\$
EXPENSES:	\$	\$	\$
Advertising and Promotion	\$	\$	\$
Automobile Expense	\$	\$	\$
Bank Service Charges	\$	\$	\$
Insurance	\$	\$	\$
Loan Interest (i.e. no principal)	\$	\$	\$
Office Expenses	\$	\$	\$
Professional Fees	\$	\$	\$
Rent	\$	\$	\$
Telephone	\$	\$	\$
Travel	\$	\$	\$
Wages and Salaries	\$	\$	\$
Depreciation	\$	\$	\$
Other --	\$	\$	\$
Other --	\$	\$	\$
Other --	\$	\$	\$
TOTAL EXPENSES	\$	\$	\$
NET INCOME (before taxes)	\$	\$	\$

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 22)
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 letter 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.

