

BUSINESS PLAN WORKBOOK

Provided to you courtesy of:

NEDC

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A) WORKBOOK OVERVIEW

A1) What is a Business Plan?

Working Tool

- used to assist an entrepreneur when developing a new product/service idea or when expanding an existing business

Organize Thoughts

- describes who, how, when, why and where the business will develop and expand

Action Plan

- providing a clear sense of direction and identifying ways to achieve specific goals and objectives

Key Document

- supports a loan application for financing

A2) About This Workbook

Designed to Help

- This workbook is designed to **help you document your plan of action for the start-up, acquisition or expansion of your business.**

Generic

- Some of the questions in this workbook may not be relevant to your project as this workbook is generic. Please feel free to disregard questions that are not applicable or add a relevant question and answer. If more space is required, please attach additional pages.

A3) How to Use This Book

Answer as many questions as you can as completely as you can. You may need to do market research before answering some questions. This is important to help your business succeed and so you know what to expect in your business.

If help is required in completing this questionnaire, please contact NEDC.

B) DESCRIPTION OF THE BUSINESS

This is meant to give the reader a clear understanding of who you are and what you do.

B1) General Business Information

Name of Business:

Structure of Business:

Structure Options: Sole proprietor (just you), Partnership (two of you), Incorporated, Joint-Venture or if Other please explain.

* Please attach Incorporation documents, partnership /joint venture agreement, etc.*

Type of project:

1) New Business Start-up, 2) Business expansion, or 3) Acquisition (buy a business)

B2) History of the business:

When did/will the business start?

Why did you want to start or buy this business? What made you choose this?

If purchasing an existing business: Explain how old the business is, why the owner is selling it, how long has it been in operation, how you arrived at a purchase price, and what the trend of sales has been.

B3) Description of the business

What **type of business** is it?

Basic **description** of product or service you offer:

When do you plan to start, purchase, or expand your business?

What are some of the potential **risks & problems** with your type of business?

How will you **resolve or minimize** risks & problems?

Other relevant information that describes your business and its product or service:

C) OWNERSHIP & MANAGEMENT

C1) Ownership

Name of Owner	% of ownership	If under 35 years old: Date of Birth (D/M/Y)

Will the owners manage the business? (Yes or No)

If not, please explain how the owners will be involved in the business:

C2) Management

Management name:

Please attach each manager's resume/CV.

Summarize management's credentials to manage this business:

How much will management be paid?

How will management be paid?

Industry: Strengths, Weaknesses & Supports

Experience in the industry and in this type of business (in an operational, supervisory, management and ownership position)

Strengths

Weaknesses

Supports

Marketing: Strengths, Weaknesses & Supports
(pricing, selling, promotions, customer service/management, product development, packaging, etc.)

Strengths	
Weaknesses	
Supports	

Finance: Strengths, Weaknesses & Supports
(bookkeeping, financial statements, financial management, taxation requirements & laws, etc.)

Strengths	
Weaknesses	
Supports	

Human Resources: Strengths, Weaknesses & Supports
(hiring, firing, understanding of employment regulations & laws etc.)

Strengths	
Weaknesses	
Supports	

Administration: Strengths, Weaknesses & Supports
(decision making, reading/signing legal documents, reporting, etc.)

Strengths	
Weaknesses	
Supports	

Other: Strengths, Weaknesses & Supports
(And any other skills that may be relevant)

Strengths	
Weaknesses	
Supports	

D) INDUSTRY & MARKET OVERVIEW

D1) Industry

What is the North American Industry Classification System (NAICS) code for your business?

Please give a description of your industry?

What trends are currently happening in this industry?

What affects the growth or decline in your industry?
(ie; Canadian dollar, income levels, environment/health conditions, technology etc.)

D2) Competition

Direct competitors

Companies serving the same customers and providing similar benefits ie; Seattle's Best Coffee Co. directly competes with Starbucks Coffee Co.

Describe the rivalry among existing competitors:

Is there lots of competing businesses or do businesses share & work together?

On a scale of 1 to 5 rank how competitive your industry is:
#1 means very cooperative - - - #5 means fiercely competitive

Indirect Competition

Other companies in the product category and other products satisfying the same **needs/problems** ie; other beverage co.'s (like Orange Julius, soda, tea, water) are indirect competition to coffee co.'s because they fulfill a person's thirst need

Tell us about your indirect competition (substitutes):
(As defined above)

On a scale of 1 to 5 rank how many substitutes are available:
#1 few substitutes, or expensive substitutes - - - #5 lots of subs at comparable price

New Start-ups

Frequency of *new* business start-ups:

On a scale of 1 to 5 rank frequency of new start-ups:
#1 extremely rare to see start-ups - - - #5 news businesses starting all the time

Suppliers & Supply Chain

Tell us about the suppliers for your business:
How many supplies are available to you? Who are your suppliers? How many of your competition do they also serve?

On a scale of 1 to 5 rank the demand on the suppliers:
#1 many supplies with not too many buyers - - - #5 limited suppliers with many buyers

Barriers to Entry

What are the barriers to entry in the industry?
Costs incurred to compete or things that make it challenging to start this kind of business.
ie; certification, copyrights, high start-up costs, licensing, etc.

Compleitive Advantage

Choose your main three competitors, describe them and compare them to your business. Feel free to change the items in the Benefits/Features column (products, price, quality, selection etc) to better reflect your business.

Importance (1=high, 5=low)	Competitor Name >>>				My Business
2	<i>I.E.: Innovation</i>	<i>Waits and adopts tech 2 – 3 yrs later</i>	<i>Has been the same for years</i>	<i>Has updated some things but most is outdated</i>	<i>Strives for continuous improvement</i>
	Products >				
	Price >				
	Quality >				
	Selection >				
	Service >				
	Reliability >				
	Advertising >				
	Expertise >				
	Company Reputation >				
	Location >				
	Appearance				
	Sales Method >				
	Credit Policies >				

D3) Target Market

The more you understand your customers, the better your chances of success!

Tell us about the buyers for your product or service (customers) compared with who is serving them (sellers). How many buyer and how many sellers?

On a scale of 1 to 5 rank how many substitutes are available:

#1 many customers, few sellers - - - #5 few customers, many sellers

Where will your target market be? Add details into at least one of the options below (Local, Regional etc). If you are targeting multiple, add details to multiple.

Local Market:

Regional Market:

National Market:

International Market:

Who will be your *typical customer*?

(i.e. Individuals or businesses, computer literacy, age group, sex, etc.)

What characteristics do your customers display?

ie; social class, lifestyle, buying habits, income, etc.

How many customers will you have?

(Many customers that buy few items/services or a few customers that buy many items/services)

Have you done any research to see if people are interested in purchasing your product/service? (Yes, no, or in-progress)

If so, attach result & summary.

How can you expand your market?

If doing contract work, comment on contracts you have secured or are working on:

D4) Regulations

All businesses have to abide by government regulations. Describe regulations you have to consider: (www.bcbizpal.ca is a great resource for this step)

City/Band

*don't forget your business license or Band Council Resolution

My location is zoned:

Zoning by-laws that concern my business:

If your business is on-reserve do you have a Band Council Resolution (BCR) in support of your business? (Yes, no, or in-progress)

If your business is on treaty lands, please explain the process of attaining a business license for your business:

Provincial Regulations

Ministry of Small Business and Revenue (PST?), Employment Standards Branch, Worksafe BC, Ministry of Public Safety and Solicitor, Liquor Control and Licensing Branch General, Liquor Distribution Branch

Federal Regulations

Corporate Registry, Canada Transport, Environment Canada, Ministry of Health, Health Canada, Canada Coast Guard, Canadian Revenue Agency (GST/HST, yes taxes), Corporations Canada

What steps have or will you be taking to comply with the laws and regulations that apply to your industry?

What Environmental issues are there related to this business?
(land or building issues, manufacturing process, waste disposal, etc.)

How do you intend to resolve or minimize these?

Which industry organizations are or will you be a member?

E) MARKETING PLAN

E1) Product/Service

What “need” or “problem” does your product or service fulfill?

List products and services you offer in the table below.

*If you require more space, please attach a separate sheet with the info.

Product/Service	Customer Price	Your Cost	Description

What is your mark-up?
How much more do you sell it for than it costs you?

$$\frac{(\text{Selling Price} - \text{Your Cost})}{\text{Your Cost}} \times 100\%$$

What is your profit margin?
How much you make per sale

$$\frac{\text{Selling Price} - \text{Your Cost}}{\text{Selling Price}} \times 100\%$$

E2) Place

Physical address of the business:

Describe the location of the business:

Is it in a strip mall, stand along building or part of your house? What is parking like? Is it easy to find?

Why did you choose this location?

How much will this location cost per month?

What business activities will happen at this location?

Where does the customer receive their product or service?

Do you deliver the product or service to this location?

If not, how does your product or service get to the customers location?

E3) Price

What price are your competitors charging for their product or service?

Lowest Price:

Highest Price:

Competitor Name

Lowest Price

Highest Price

Competitor Name	Lowest Price	Highest Price

How did you calculate the price for your product or service?

How much are your customers willing to pay for your product/service?

Is your price within the range customers are willing to pay?

E4) Promotion & Advertising

Describe how you will attract your customers?

How will you keep your customers?

How have you promoted your business to date?

Type of advertising you will use in the future:

Type	Cost*	When will you incur cost?	Description
Business Cards			
Direct Mail			
Flyers			
Magazine			
Newspaper			
Packaging			
Radio			
Sign			
Website			
Yellow Pages			
Social Media			

*Attach documentation that shows the cost of the advertising media you have chosen

What other promotional efforts will you do and why? (i.e. discounts, samples, etc.)

Describe working relationships with other businesses relevant to your business (other businesses that will support you)

What key factors will you focus on to make your business a success?

Identify and explain any professional help you need to market your business.

F) OPERATIONS PLANNING

F1) Location & Hours

Describe any special requirements your business has?
Ex. water or power needs, ventilation, drainage, etc.

What have you done to secure the necessary permissions, such as zoning approvals?

Hours of the day your business will operate: (Days and times)

Months of operation

F2) Production

When will you be able to start producing your product or service?

Describe how your product or service be made or delivered – be descriptive!

How will you keep track of inventory?
computerized - excel, etc. manual - quarterly/annual counts, etc

How long does it take for you to make one of your products? If you are a service, how long does it take for you from start to finish?

What problems could occur in the production process or during delivery of service?

How will you deal with problems with production?

What quality control measures will you have?

Describe any product testing, price testing, or prototype testing that you have done on your product or service

Where are you going to get the materials you need to produce your product or service?

Describe any terms, prices and/or condition you have negotiated with your suppliers.

What alternative arrangements have you made or will make if these suppliers let you down?

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F3) Staffing & Wages

Position	Full/Part time or seasonal	Est. Hrs per week	Hourly wage	Total monthly cost
Total Monthly Cost				

If your staff wages vary month by month, please provide a separate document estimating your monthly staffing cost with detail showing how you calculated the total.

Who will do the bookkeeping:	
Describe their bookkeeping experience and qualifications:	
How much will your bookkeeper be paid? (if not included above)	

H) PROJECT BUDGET

This project budget is broken out into smaller categories that will match the budget on your NEDC application. Within each of these categories please show ALL expenses and purchases that will be required for your project. After you have a total, tell us how much of these expenses you are requesting funding for.

Capital Expenses

H1a) Land - only if purchasing & requesting funds

H1b) Building - only if purchasing & requesting funds

H2) Equipment

What do you need to start/acquire/expand your business, how many required, cost?

*ATTACH QUOTES. Use a separate sheet, if more room is required

Equipment	# needed	Cost per Unit	Total Cost	Supplier
TOTAL COST				
AMOUNT REQUESTED				

H3) Other Capital Expenses

Other Capital Item	Cost
TOTAL Costs	
AMOUNT REQUESTED	

Operating & Marketing Expenses

H4) Buildings & Infrastructure

Lease/Rent Address	Deposit	Monthly cost	Other costs

Explain:

Building/Rent Cost requested for funding (# months & \$):

H5) Inventory

The inventory section is to calculate how much inventory you will need for your project. If you are a service industry this may be short or not relevant.

Supplies or Materials	# required	Cost per Item	Total Cost	Supplier
Total Cost				
AMOUNT REQUESTED				

How long do you expect the inventory/raw material to last?

H6) Other Materials/Supplies

Other Supplies or Materials	# required	Cost per Item	Total Cost	Supplier
Total Cost				
AMOUNT REQUESTED				

H7) Insurance

Insurance Type	Insurance Cost
TOTAL Insurance Costs	
AMOUNT REQUESTED	

H8) Professional Services (Legal, Accounting etc)

What professional services will you require to start/acquire/expand your business?

*ATTACH QUOTES. Use a separate sheet, if needed

Name	Cost	Company	Contact info
Total Cost			
AMOUNT REQUESTED			

H9) Wages

Based on Section F3) Staffing and Wages, how much wages will you be requesting as part of your Project Budget? (1 month, 2 months, 3 months?)

If you do not need wages included in your funding then add 0 weeks & \$0

Staffing Expenses (Section F3)	
Months of Wages in Project Costs (Max 3)	
AMOUNT REQUESTED	\$

H10) Advertising

See section E4 for your previously calculated Advertising Costs. Then record the portion of these expenses you will be requesting as a part of your project.

Total Advertising Expenses (Section E4)	\$
AMOUNT REQUESTED	\$

H11) Utilities

These can include business phone, cell phone, internet services, hydro for office etc.

Utilities/phone	Hook up Fee	# of months requesting assistance	Monthly cost	Total Cost
Total Cost				
AMOUNT REQUESTED				

H12) Other Operating/Marketing Expenses

If there was anything that did not fit in the above categories you can add it here.

Other Operating/Marketing Item	Cost
TOTAL Costs	
AMOUNT REQUESTED	

I) PROJECT COSTS

I1) Cost of Project

To determine the project costs of your business, total the prices of everything you require for your project from your startup costs from above, quotes and pricelists.

Please be sure to have clear descriptions and breakdowns for all items in the previous section H) and have quotes/estimates available for reference.

Use of Funds - Total Project Cost (Funds Required for):

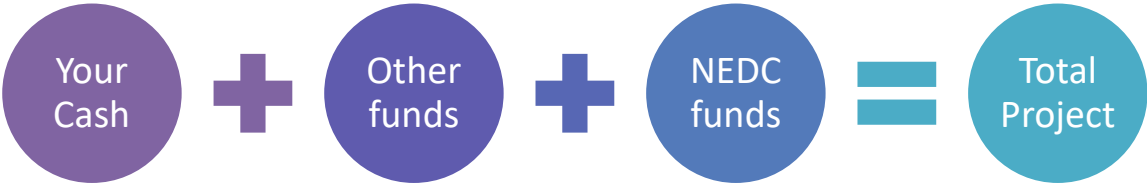
Capital		Operating/Marketing	
H1a) Land	\$	H4) Rent/Lease	
H1b) Building	\$	H5) Inventory	
H2) Equipment	\$	H6) Materials/Supplies	
H3) Other Capital:	\$	H7) Materials/Supplies	
	\$	H8) Professional Fees	
		H9) Wages	\$
		H10) Advertising	\$
		H11) Utilities	\$
		H12) Other Operating & Marketing	\$
		B) TOTAL Operating/Marketing:	

TOTAL PROJECT COSTS (A+B):

I2) Funding Sources for Project

This should outline where all of the funding will come from to complete your project. Please note, most files require about 10% equity (cash from you) contribution. *Varies from person to person.

If you are not applying for funding from other sources ignore "Other Funds"



Your Equity:

Available CASH you will be investing (**YOUR CASH**)

Loans & Contributions (Other Funding)

Other Funds (Name of Organization/Person)	Estimated amount
	\$
	\$
	\$

NEDC FUNDING REQUESTED

J) FINANCIAL PROJECTIONS

J1) Break-Even Sales

What is your break-even level of sales?
When your revenue goes from paying for expenses to paying you.

$$\# \text{ Units to Break Even} = \frac{\text{Fixed Cost}}{\text{Selling Price} - \text{Cost of Item}}$$

Break Even Sales:

Fixed Costs: All of the costs that do not change based on how many items you sell. Examples include Rent, electricity, phone bills, most wages, advertising etc.

Variable Costs (Cost of the Item): This is all the elements and expenses that go into making the item you sell. They change depending if you make 1 sale or 50 sales.

Selling Price: This is the amount you agree to sell the items to your customers at.

J2) Annual Sales

What are your anticipated annual sales per year (allowing for seasonal fluctuations)?

Month	# of items sold	Monthly sales \$
January		
February		
March		
April		
May		
June		
July		
August		
September		
October		
November		
December		
Total Annual Sales		

List any assumptions you made to create your projections or attach and label working papers "Sales projections working paper".

J3) Cashflow Projections (See document B2-Cashflow for form)

Please transfer the monthly sales to your Cash Flow projections (this is a separate sheet included in your package and also available on the NEDC Website (www.nedc.info)). **All plans must include a cash flow projection.**

J4) Income Statement Projections

Complete the following income statement using your sales and cash flow projections. Feel free to change/add/delete the left hand items to suit your business. Annual expenses can be calculated at estimated monthly cost times (x) 12.

INCOME STATEMENT PROJECTIONS

	Year1	Year2	Year3
Revenues			
Product Sales			
Services			
Other Revenue			
Miscellaneous			
Total Revenue (A)			

Expenses (variable or direct costs)			
Fuel			
Materials			
Commissions			
Purchases			
Subtotal Direct Costs (B)			

Expenses (Fixed costs)			
Accounting & Legal			
Bank Charges			
Advertising			
Loan Interest			
Office & General			
Depreciation/amortization			
Licenses & fees			
Repairs & Maintenance			
Insurance			
Freight			
Utilities			
Telephone			
Rent			
Management Wages			
Wages & Benefits			
Subtotal Adm. & General (C)			

Net Income before taxes: (Revenue-Expenses = A - (B+C))			
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**For an existing business, please provide financial statements for the last 3 years.

K) SUPPORTING DOCUMENTS

Attach the following documents (if applicable):

- Market Research documents & sources outlined
- Relevant Photos or maps
- List of Equipment to be purchased with price and totals
- Estimates or Quotations for purchase of Equipment
- Applicable Purchase Agreements
- Insurance Quote
- Rental or Lease Agreement of Location
- Permission from Landlord to operate home-based business
- Letters of Support
- Contracts secured
- Resumes for Owners and Key Personnel
- Proof of Aboriginal Ancestry (ie. Status card)
- Shareholders Agreement or Partnership Agreement
- Certificate of Incorporation
- Historical Financial Statements (3 years preferably)
- Asset List
- Evaluation of Used Assets Contributed
- Band Council Resolution (if on-reserve business)
- Marine Survey (if purchasing a boat)

Thank you for taking the time to fill out this workbook!

Now contact NEDC:

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