

Start Smart:

A basic business planning form

This form is meant to be used with *Start Smart: a basic guide to business planning*. The *Start Smart Guide* is available on our website as a printable file or as a series of podcasts.

You may use this form for your business plan if you will be seeking up to \$75,000 in financing from Vancity.

Please note that if you need less than \$15,000, you do not need to have your plan reviewed by a third party advisor.

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This form is brought to you by Vancity's microfinance team.

The information in the *Start Smart Guide* does not cover all the details related to planning for every type and size of business. The use of this guide does not guarantee your business plan will automatically be met with a positive lending decision. We offer this information to provide a general overview of what Vancity's microfinance team looks for in business plans that we receive. Depending on the complexity of your business, you may want to seek independent, professional, legal or accounting advice as you develop your plan. And, it's always a good idea to get a third party business advisor to review your plan.

For more information about **Vancity's Microfinance Program** contact **604.709.6930** or **microfinance@vancity.com** or visit **vancity.com/microfinance**

Welcome

Congratulations: you've got a great business idea. You're convinced that your idea will be a winner and fill a void in the marketplace – and of course – you'll make lots of money. Now, you need a business plan.

We created this form and accompanying guide to help you think through the elements of a good business plan. Please refer to *Start Smart: a basic guide to business planning* as you progress through this form. You can also use the guide to create your own business plan document. The guide provides resources including links, a sales forecast and a cash-flow forecast tutorial.

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Now, let's get started.

Getting started

Contact information

What is your name, the name of your business and your contact information?

Name _____

Legal Business Name (or trade name) _____

Address _____

City _____

Province _____

Postal Code _____

Phone Number _____

Cell Number _____

Email _____

Website _____

Ownership

Describe the ownership structure of your business.

- Sole Proprietorship Partnership Incorporation Co-operative
- Other _____

Business sector

What is the nature of your nature of your business?

- Retail Manufacturing
- Wholesale Service
- Farming
- Other _____

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

Your customers or clients

Who are your customers? Note what type of customers you anticipate in your business plan.

- Other businesses Consumers Both

Market and marketing

A marketing plan is one of the most important parts of a business plan.

Just because you open a business does not mean you will have customers. Your marketing plan should clearly show what you're selling, who is going to buy it, why they will buy it and how you are going to reach your customers.

Describe the main features and benefits of your product or service.

Market research

The key to business success is clearly identifying your market and targeting your marketing activities to reach your ideal customer. Market research is the first step in building a successful, customer-focused marketing plan.

Describe your market research.

Target market

Your **target market** is a specific group of customers who have something in common with each other.

What is your target market?

Market potential

Market potential is the size of the entire market for your product or service.

What is your market potential?

Market share

Your **market share** is the part of the market potential your business aims to serve.

What is your market share?

Your ideal customer

Once you have conducted research about your target market, you should be able to describe your ideal customer.

Describe your ideal customer?

Your competition

Direct competition

Direct competitors are businesses that sell the same product or service to your target market. What are your competition's strengths and weaknesses?

Describe your direct competitors.

Indirect competition

Indirect competitors are businesses that offer a similar product or service to your target market. What are your indirect competitor's strengths and weaknesses?

Describe your indirect competition.

Competitive advantage

Your value proposition describes your competitive advantage

What is your competitive advantage?

Industry trends and market risk

Another important area to consider is trends within your industry. There are positive and negative trends that could affect your business.

Describe your industry trends.

Describe external market risks to your business success.

Marketing plan

A marketing plan should describe your ideal customer, your target market, your competition and how you will reach potential customers.

Describe your key marketing strategies.

Marketing tactics

Tactics are the specific ways you will reach your target market with your message. Tactics could include your website, print materials, social media, signage, advertising and other marketing strategies.

What tactics will you use to reach your target market and ideal customer?

Marketing budget

Your marketing plan should include a budget to implement tactics. List the expenses associated with implementing your marketing plan.

Include your marketing budget here.

Management and operations

Management

No business owner is an expert on everything so we like to see that you have put a great team together to help you – particularly when you are starting up.

Owner

If you will be the only person running your business, how will you be able to handle the different areas of your operations?

Describe the skills, experience and education you bring to your business.

Staff

If others will be managing parts of the day-today operation of your business, what are their skills and experience?

Describe the skills, experience and education your staff brings to the business.

Advisors

Do you have a business mentor or advisor? Be sure to include information about their role in your business.

Describe the skills and experience of your mentors or advisors and their role in your business.

Gaps

Can you identify and skills or experience gaps on your management team? Are there areas where you will need to bring in experts or offer staff additional training?

Describe how you will fill gaps in skills or experience on your management team.

Location

There are a few things to think about when you are deciding where to locate your business.

Describe where your business will be located and why.

Production process and delivery

- What are the steps involved in the production of your product or service?
- How will you deliver your product or service to customers/clients?

Describe how your product or service is developed or produced.

Regulatory requirements

No two businesses are the same but most need to have a few licenses or permits to operate.

Does your business require licenses or permits? If so, describe what is required for your business.

Contingency plan

Can your business go on without you? Even temporarily? What if you get sick – who will run your business? It's good to put some thought into a few strategies that will get you through a temporary absence from your business.

Describe how your business will operate without you temporarily.

Risks to your management and operations

All businesses face both internal and external risks to smooth management and operations.

Describe some of the key management and operations risks for your business.

Financial planning

Financial planning, particularly for a start-up business, involves making realistic assumptions about your costs and revenue.

Start-up costs

Start-up costs are expenses you **must** incur to **start** your business.

How much do you need to start your business and for what purpose? Describe in detail.

Pricing strategy

There can be many things to consider as you develop your pricing strategies.

Describe your pricing strategy.

Sales forecast

It can be challenging to forecast sales for a start-up business but it's important to make a reasonable effort at predicting your sales.

Describe your anticipated sales on a monthly and annual basis.

Break-even analysis

A break-even analysis calculates the volume of sales a business must generate to pay the expenses associated with running the business. The break-even point occurs when total revenues are equal to total expenses.

Provide a break-even analysis.

Accounts payable and receivable

Your approach to accounts payable and receivable as well as standards in your industry have a big impact on your cash flow.

Describe how you will handle your accounts.

Cash-flow forecast

Your cash-flow statement is one of the most important documents in your business plan.

Provide three, two-year cash-flow statements that project cautious, realistic and optimistic cash-flow scenarios. Summarize your scenarios here and attach additional spread sheet documents to your business plan.

Personal budget

An important consideration for all start-up business owners is how you will pay yourself.

Provide your personal budget.

Financial risk

All businesses face some financial risk. The risks could be internal or external to your business.

Describe at least three areas of financial risk.

Business plan summary

This is the part of your business plan where all the work comes together. Summarize the most important parts of your plan and include some additional information. Here are the ten topics to cover in your summary.

1. Vision, mission and values

Together, your **vision**, **mission** and **values** bring passion to your business.

Your vision communicates what you want to accomplish. Your mission explains how you will get there. And your values say how you will do what you do.

- What is your Mission?
- What is your Vision?
- What are your Values?

2. Business goals and objectives

What does business success mean to you?

Describe your business goals and objectives.

3. Community impact

Tell us about how your business will positively impact the community.

Describe the positive community impacts of your business.

4. Marketing plan

Why is your business special and why will customers will buy your product or service?

Summarize the most important aspects of your marketing plan.

5. Management and operations plan

As a **financial co-operative**, Vancity manages and invests the combined assets of all its members. We recognize there are risks in starting and running any business. We also know it is important to realistically identify areas of risk in your business and **plan** to minimize that risk through practical strategies.

There are variety of risks all business face, but we've learned that you should pay special attention to financial, legal, and operational risks.

Describe unique risks to the success of your business and ways you can minimize that risk. Think about long-term and short-term risks to your business.

6. Financial plan

Your financial plan should include:

- start-up costs
- pricing strategies
- sales forecast
- break-even analysis
- accounts payable and receivable approach
- three versions of your cash-flow forecast
- personal budget

Summarize your plan here and attach documents as needed to your business plan.

7. Personal investment

At Vancity, we want to see that you have enough confidence in your business to risk your own money or equity before we invest our member's money.

How much will you be investing in your business?

8. Financing request

If you plan on applying for a loan from Vancity, we require that your business plan be reviewed by a mentor or third party business advisor such as **Small Business BC, or the Women's Enterprise Centre** or that you attend an entrepreneur training program.

Include your financing request.

How much financing do you need and what kind?

\$ _____

term loan

line of credit

both

9. Back-up plan

We need to know that you have considered what you will do if you must close or transition your business at some point in the future.

How will you pay back business loans if your business fails?

10. Current opportunities

Do you have a customer or opportunity waiting? Tell us about pending or signed contracts, purchase orders, letters of intent to purchases, quotes or supplier letters.

Please describe any current (or time sensitive) sales or contract opportunities.

Congratulations

You have (hopefully) written a great business plan that will be your road map to success.

Just remember, writing a business plan is not an end in itself, but an important step to launching a successful business. You should consider your plan to be a 'living document' not just something you keep on the shelf and bring out when you need financing.

It's a document you will reflect back on to ensure you are on track and meeting your goals.

At Vancity, we're committed to supporting a stronger local economy, a healthier population, and a more vibrant, prosperous community. We offer a variety of small business loans to help you get your business off the ground.

Through our small business loans we do things differently. Instead of looking at your credit history and net worth, we look at ambition, character and determination. In particular, we look at what you can achieve through financial literacy.

So remember, we require that your business plan be reviewed by an independent third party business advisor such as Small Business BC or the Women's Enterprise Centre, or that you attend an entrepreneur training program.

If you are an entrepreneur with a disability, we can provide some coaching support to bring your business plan to completion.

We want your business to be successful and have a powerful, positive impact on your community. And we'd like our relationship with you to begin before you encounter a problem and before you need a loan.

We'd be happy to talk to you before you begin. Call us.

Contact Vancity's Microfinance Program Manager
604.709.6930 • microfinance@vancity.com



Western Economic
Diversification Canada

Diversification de l'économie
de l'Ouest Canada

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