

**COMMUNITY DEVELOPMENT CORPORATION
OF SAULT STE. MARIE & AREA**

BUSINESS PLAN

A. BUSINESS DESCRIPTION

Please describe the type of business, where you are located and the type of products and services you offer.

B. OWNERSHIP/MANAGEMENT

Please describe the ownership type, list all owners, and their percentage of ownership. Outline the role each owner will play in managing the business.

C. PRODUCTS AND SERVICES

(1) Products

Clearly describe what products your business will offer. Identify product features, such as size, shape and quality. For each product listed, please provide an estimated percentage of total sales.

(2) Services

Clearly describe what services your business will offer. Identify the process by which you plan to offer these services. For each service offered, please provide an estimated percentage of total sales.

(3) Customers

Please identify any major customers, and the percentage of total sales their accounts represent.

D. MARKET

What is the size of your market in terms of area and population?

Who is your target consumer? Identify age, gender, income and product or service benefit.

E. INDUSTRY ANALYSIS/COMPETITION

(1) Please list those companies providing products or services similar to yours, and how long they have been in business. What prices are they charging for their products or services?

(2) What are the basic trends and growth over time and where will your company fit in. Is the industry growing or shrinking? Do you think this will continue? List reasons why or why not.

(3) What competitive advantage does/will your company have over the other companies offering similar products or services? Why will customers prefer your product or service over the competition?

(4) Do any seasonal patterns or trends affect your product or service? What impact will these changes have on your business?

(5) What forms of market research have you conducted to determine that there is a need for your product or service? (Please consider gathering letters of support and/or potential client list from those interested in your product or service).

F. PRICING/COSTING

What does it cost you to offer your product or service to your customers? Please provide a breakdown of how you determined your cost, including materials, labour, inventory and start up costs.

What price will you charge your customers for your product or service? State price in terms of per unit/per job or per hour. Please provide a breakdown of how you arrived at your prices, including your costs and profit margin.

Will you offer credit to your customers? If so, please state the terms.

G. MARKETING/PROMOTION

(1) How do you plan to educate your customers about your product or service?
How will you convince them that your product or service is better than the competition?

(2) What forms of advertising do you plan to use? What are the costs associated with each form of advertising?

(3) How will you measure the effectiveness of your advertising? What forms of advertising work best for you and your target market?

(4) Have you budgeted for your advertising expenses in your start up costs? How much do you intend to spend monthly on your advertising and promotion?

(5) Will you be offering any promotions, for example two for one deals, or loyalty programs? Please describe briefly.

H. OPERATION REQUIREMENTS

(1) Identify your business requirements such as location, size and type of premises, equipment and furniture. Will they be leased or purchased? Please provide details such as deposits, payment agreements, etc.

(2) Who will be responsible for the day to day operations and management of the business?

(3) Will you hire or need to hire employees in the business? If so, please provide a brief description of the number of employees you require and their responsibilities.

(4) Are there any government regulations, licenses or permits required for the operation of the business? If so, have they been obtained?

(5) Insurance Coverage – Do you have business insurance? If yes, please outline coverage levels and annual premiums. If no, please contact an insurance agent/broker and discuss the insurance requirements for your business and outline levels of coverage and estimated costs.

I. FINANCING

(1) What sources of financing does the business currently have? Please provide details ie. Financial institution, type of financing (business loan, personal line of credit), payment amount, security pledged, etc.

J. PROJECT COSTS/FINANCING

Please list the costs associated with the business start up or expansion.

<u>List of Items Needed for Start Up or Expansion</u>	<u>Estimated Cost</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
TOTAL	\$ _____

<u>Proposed Project Financing</u>	<u>Estimated Value</u>
_____	_____
Personal Contributions (Please pecify)	_____
Cash	_____
Equipment	_____
Vehicle	_____
Bank Loan(s)	_____
_____	_____
Other Sources (Please specify)	_____
_____	_____
TOTAL SOURCES OF FUNDS	_____

CASHFLOW

A cashflow forecast should be completed for a 12 month period. It should reflect the proposed costs and financing outlined in the plan. We recommend that you document all assumptions made in determining sales forecasts and cost estimates. This should be attached to the cashflow forecast.

The cashflow is completed in 3 steps.

Step 1: Sales Forecast

Record sales by month. If you have more than one product, you may want to provide an estimate for each product.

Step 2: Cash Receipts

Record when money will flow into the company, including proceeds from financing, cash injected by the owner, and dollars collected from sales. If you have extended credit to your customers, funds collected from sales should be separated into cash sales and collection of accounts receivable (sales from a previous period that are being paid for in the current period).

Step 3: Cash Disbursements

Record by month, the costs that will be incurred by the business. An explanation of terms is included below.

Purchase of Equipment – Costs for any planned expenditure for equipment in the coming year.

Rental Expenses – Costs for rental of space or equipment.

Labour Expenses – Wages and benefits paid to all employees (not owners of the business). Must include all mandatory payroll costs, including EI and CPP.

Personal Drawings – Cash drawings or payments made to owners of the business.

Material Costs – Inventory of goods or supplies used to generate sales of the business.

Licenses and Insurance – Any business license or insurance required for the business.

Advertising and Promotion – Costs to carry out marketing and promotion activities as outlined in the business plan.

Utilities and Telephone – Electricity, Water and Telephone costs.

Postage and Office Supplies – Costs for supplies used to manage the office.

Professional Fees – Fees paid to lawyer, accountant, or other professionals.

Loan Repayment – Interest and principal paid on all business loans.

Bank Charges – Fees charged on the commercial bank account.

Automotive – Costs for fuel, maintenance, insurance associated with business vehicles.

Maintenance and Repairs – Costs to maintain and/or repair equipment and buildings used in the business.

Other – Costs specific to your business. Please identify.

K. APPENDICES

PERSONAL FINANCIAL STATEMENT

PERSONAL BUDGET

FINANCIAL STATEMENTS

Existing businesses should attach financial statements for the past 3 years.

BUSINESS ADVISORS

Provide a list of Business Advisors, including Accountant, Lawyer, Banker and other significant players.

DOCUMENTATION

Provide copies of all documents that you feel are important in the operation of your business, ie. Lease agreements, business license, franchise agreements, permits, patents/trademarks, loan documentation, articles of incorporation, business name registration, etc.

PRODUCT /SERVICE INFORMATION

Any additional information or photographs that have not been included in the plan.

LETTERS OF SUPPORT/RECOMMENDATION

APPRAISALS/OPINIONS OF VALUE

If you are applying for financing, lenders will often want to view appraisals or opinions of value on assets being used as security on the loan. These assets could include equipment and/or property.

QUOTATIONS

If the project involves the purchase of equipment or construction/renovations to property, copies of quotations should be attached.