

Executive Summary

This section should summarize your business in about one or two pages. It should include:

- name and address of both the business and its principals
- a brief description of the business, e.g. retail, manufacturing, service, etc.
- a description of the business structure e.g. incorporated, partnership, sole-proprietorship, co-operative, society, etc.
- a description of the management background and list of the key personnel. Describe the experience and training held by key personnel that will contribute to the success of the business
- a description of the financing required and what the funds will be used for
- a brief history of the business or business idea

The second section of the executive summary should include a market analysis, operational and financial forecast. It is designed to provide potential investors or funders with a brief summary of your business plan at a glance.

Market Analysis

- **Summary of Market Research** - What information have you gathered to support your market analysis? List the sources and means you have employed.
- **Current Market Analysis** - What are the trends, innovations, threats, and characteristics of this marketplace right now?
- **Market Area** - Where do you specifically intend to sell your product or services (locally, province/nation wide, internationally)?
- **Target Customers** - What will your primary customers groups be? Describe their characteristics (young/old, male/female, families, businesses, etc.)
- **Competition** - Who is your competition? Why do you think you will be able to gain the necessary share of this market? Describe your competitive advantage. What do you do better than your competitors?
- **Promotional/Advertising Plan** - How do you intend to reach your target market? What is the approach/angle of your promotional and advertising efforts?
- **Sales Method** - How will your customers have access to your product or services (i.e. Internet, storefront, person to person, home-based, direct mail, 1-800 #, trade shows, etc.)? Discuss and rank all means.

Operational Plan

- **Premises** - What are your physical needs? Have you found a location? Do you have a lease in place? If so, what are the terms?
- **Leasehold Improvements** - are renovations required to get this space up to your required needs? Provide timelines for completion and cost estimates.
- **Equipment** - What specific equipment is needed for you to operate this business (tools, machinery, office equipment, etc)? Do you have them or will you have to purchase them? Be sure to account for these costs in your cash flow projection.
- **Production Process/Capabilities/Schedule** - What is involved in producing and delivering your product or service? How many units/customers can you produce, supply, or service in a given period of time?
- **Staffing requirements** - What are your existing staff requirements? How many hours do they work, and how are they compensated? Will you require additional employees? What skills/training must/should they have?
- **Suppliers** - Who are your suppliers (names, prices, terms, and agreements)? Are alternate suppliers available? Why have you chosen these suppliers and how do they differ?
- **Guarantees/Warranties** - what after-sales support do/will you offer? Detailed descriptions.

Financial Projections

- **Cost Analysis** - How much does it cost you to make or deliver your product or service? In order to determine the costs involved in running your business and the nature of their behaviour you should define your costs as either variable, fixed or a combination thereof

Variable Costs are costs that increase directly with every increase in the level of production or volume of service you provide? Example: The wood costs incurred by a furniture manufacturer are directly related to the number of units he or she finishes and are considered variable costs.

Fixed Costs (Overhead) are costs that do not vary with every unit of production such as rent, licenses, and loan payments.

- What are your unit costs (be specific)? How much does it cost you to produce and sell one additional unit of your product or service?
- What are your fixed costs? What is the total monthly overhead that your business must support?
- **Pricing Method** - Explain and show examples of the pricing method you employ for each different revenue generator available to your business. Some examples of pricing methods are: percentage mark-up method, cost-plus-profit method, competitive pricing method, and simple hourly rate charges, etc.
- **Equipment and Start-up Costs** - What do you need in order to get your business off the ground? These should include capital expenditures such as vehicles and other equipment, fees and licenses, and hook-ups and deposits (itemize and include estimates). Unless these costs will be incurred as a regular business activity, they should not be reflected in your projected income statement.

Capital Transactions (capital purchases, loan proceeds, irregular transactions) Although you should include them in your projected cash flow, they are not revenues or expenses. They are balance sheet entries and will be amortized (expensed) over a fixed term. They should not be carried forward to the projected income statement.

- **Projected (Pro Forma) Cash Flow and Financial Statements** - These are used to predict your business' performance over the upcoming year. The cash flow should be broken down into a start-up period, twelve monthly periods and a year-end total (a working copy is included on the back of this outline). Once complete, the cash flow should reflect the anticipated seasonality of the business' capital flows for one complete fiscal year.
- **List of Assumptions** - Because your 12 month cash flow attempts to predict future events, you will have to make assumptions in order to estimate your future revenues and expenses. With your list of assumptions you should demonstrate how you arrived at all of the figures you have shown on your cash flow. Keep in mind that although the numbers may seem self-explanatory to you, the person reviewing your cash flow is seeing it for the first time.
- **Financing Summary** - If you will require financing to start, purchase or expand your business you should include:
 - 1) A summary of the sources and uses for the financing you are pursuing.
 - 2) A description of the assets you are offering to secure the funds. If you are seeking financing from more than one organization, be sure to describe how the assets will be allocated with regard to security charges.

Risk Assessment

The Risk Assessment should outline the potential problems or risks that may effect operations detailed in each of the previous four sections. In this assessment, describe potential problems and different steps you will take to remedy them. A thorough risk assessment will examine factors such as the market and economic outlook, legal and legislative considerations, the capacity of key personnel, natural and environmental considerations and unanticipated interruptions in your production schedules.

Cash Flow (Working Copy)

Month	Start-up	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Yr. Total
Month _____														
Total Projected Sales-----														
CASH RECEIVED														
1) Cash Sales-----														
2) Receivables Collected-----														
3) Personal Investment (Cash Only)-----														
4) Loan Proceeds (Community Futures)-----														
5) Loan Proceeds (Other)-----														
6) Other Cash Received-----														
7) _____														
8) TOTAL CASH IN (Add #1-7)-----														
CASH PAID OUT														
Cost of Goods Sold														
9) Inventory-----														
10) _____														
11) _____														
Capital Expenses														
12) Equipment-----														
13) Tools-----														
14) Land/Buildings-----														
15) _____														
16) _____														
Operating Expenses														
17) Owner's Drawing-----														
18) Wages (inc. EI, CPP, etc.)-----														
19) Rent-----														
20) Property Tax-----														
21) Telephone/Utilities-----														
22) Vehicle/Travel Expense-----														
23) Licenses/Permits-----														
24) Repair & Maintenance-----														
25) Insurance-----														
26) Bank Charges-----														
27) Legal/Accounting/etc.-----														
28) _____														
29) _____														
30) _____														
Other Cash Payments														
31) Loan Payments-----														
32) Dividends Paid-----														
33) _____														
34) TOTAL CASH OUT (Add #9-33)-----														
Summary														
35) Total Cash Received (Line 8)-----														
36) Total Cash Out (Line 34)-----														
37) Cash OVER/SHORT (#35 minus 36)-----														
38) CUMULATIVE CASH TOTAL -----														
(Add previous month line 38 to current month line 37)														

*Please use opposite page or attach separate sheet for explanation of assumptions.