

Business Plan Questionnaire

A business plan is YOUR story of what you want to do and how you will do it. What you put into it is highly individual and no two plans will look alike – even for the same kind of business in the same town. On the other hand, bankers, investors and other who see your plan will be looking for certain things and you need to provide them in a format they understand.

In addition, the length of the plan will vary and for all sorts of reasons. Some people are more wordy and detailed. Some ideas are more complicated and harder to understand. There will be more information for an established business – many decisions have already been made and there will be some history – than for a start-up. If you have somewhere between 6 to 15 pages PLUS financials and possibly other appendices you are probably okay.

Business plans can take many formats, but the following questionnaire follows a standard outline and will often cover everything you need. On the other hand, it attempts to be a “one-size-fit-all” plan; parts may be less appropriate for your needs.

Executive Summary

This is actually the last part written and is usually a paragraph or so of the main points. It might read something like this:

The XYZ Company founded as a sole proprietorship in 1999 in QQQQ, South Carolina manufactures and sells widgets. The owner, John Doe, seeks to raise \$00000 in order to ABCD and will do so by a personal investment of \$00 and a loan of \$0000. With this money the following will be purchased: blah, blah, blah. As shown by the financials, this will increase sales by MM% and the company’s financial statements show that the profit margin is sufficient to pay back the loan.

Overview of the Business Model

This may be optional for an existing business, but it’s a good idea to address anyway. For a new business this is the section where you show why this is a good idea, a good business in which to invest. Question 1 below is really a series of questions to get you to think of this and need not all be answered. On the other hand, the space below may not be nearly enough to tell everything.

1. Why do you think this product/service is needed? How is it different than what is already out there? Are you filling some sort of gap in the market? What is it that you are trying to do? What products/services are you planning to offer? Why are you needed?

Marketing Plan

The first part of the marketing plan is examining the environment in which the business exists or will exist. First you want to know what is going on in the industry as a whole as well trends in the target market (your intended customers) and the existing competition. This will help establish if this is a good industry to be in – who wants to make phonographs anymore? Later we get into specifics about your firm.

1. Is the industry growing, shrinking or about the same? _____

2. What challenges/issues is the industry facing? (economy, changes in technology, issues specific to the industry, etc.) _____

3. Briefly, what has been the industry history and where is it headed? _____

4. Who are the customers? Be as specific as you can about demographics (age, race, sex, etc.) geography (one town, a region, state or country, worldwide), and the reasons they have for buying your product/service. _____

5. What motivates your customers to buy the product/service you offer? _____

6. Who are your competitors? What are their strengths or weaknesses? First of all, start with direct competition – Coke versus Pepsi – but also consider more distant competition – Coke versus other sodas, Coke versus non-soda drinks.) Anything the customer is likely to do instead of buying your product or service including, sometimes, doing-it-themselves. (Space is not left for this as it is likely to be lengthy.)

7. What is your product/service specifically? Include packaging if applicable. What makes it different than competition (if there is a difference)?

8. How will you price it? How does this compare to competition? _____

9. How will you get this product/service to the customer? (This could be location of your business or what stores will carry the product or if you will mail it, etc., etc.) Does this offer advantages your competition doesn't offer? _____

10. One of the most important things is how you will let the customer know where to get your product. This includes advertising, signage, sales and other promotional techniques and public relations.

a. Will you be placing ads? If so, where? At what cost? _____

b. Will you design your own ads or will you have someone do this for you? If so, what will this cost? _____

c. Will you run sales, offer two-for-one or other deals, frequent buyer discounts or any other incentives? Describe these events including likely costs and frequency.

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- d. Will you have any public relations sort of events such as a grand opening, participating in farmers' or community markets, trade shows or other events? Again, describe the event including probably costs and frequency.

- e. Will you have a Website and/or use social media (Facebook, etc.)? If so, how, and what are the probable costs associated with this?

- f. Please list below any other ways you intend to get your message out to your potential customers and the costs associated with them.

Business Description

11. Where is your business located? _____
12. Do you rent or own? _____
13. What are the advantages this location provides, if any. _____

14. What hours are you open? _____

15. What legal structure is your business (e.g., sole proprietorship, LLC, partnership, etc.)

16. Other than the founder(s) are there other employees? _____

17. If there are other employees, please provide brief job descriptions, average hours worked, wages, and any benefits offered. (Things like descriptions of training provided, employee handbook, etc., if available, can be included in the appendix.)

18. Are there plans to add (additional) employees? If so, provide the same information as requested above, plus the best-guess schedule as to when they will be hired.

19. Have you determined the suppliers for products/services you will need? Do you have contracts or other agreements with them at this point? (Contracts or summaries of the contracts may be added to the appendix.)

20. In your estimation, what are the strengths of your (proposed) business?

21. In your estimation, what are the weaknesses of your (proposed) business?

22. How do you hope to fix these weaknesses?

23. What opportunities do you see for this business in the future?

24. What potential threats could harm your business?

25. How do you plan to react to these threats if they should happen?

Management Plan

26. Who is/are the founder(s) and what expertise does he/she/they bring to the business?
(Resumes can be included in the appendix of the business plan.)

27. Do you have a board of directors/advisors? If so, who are they?

28. Do you have key people you can call upon for assistance? If so, who are they?

29. If the following services will not be done at your business, who will be doing them for you?

Accounting _____

Legal _____

Insurance _____

Banking _____

Other services critical to your business not mentioned above:

Financials

30. The deal: what money are you asking for and how will you use it? _____

31. For a start-up, provide an itemized list of all costs the business will incur before opening. For an ongoing business, please provide three years of past financial statements.

32. What are your projected sales over the next five years? How do you support these numbers?

33. What is/are your costs of goods sold? In other words, what is the cost of the ingredients (labor and utilities if known or if significant) that go into the product/service you sell. Ideally, each product should be costed separately, however a "standard" mark-up is acceptable. (For example, costs average 50% of sales price.)

34. The following table contains a list of many expenses a business has. Please add real or estimated expenses for all of these and indicate frequency of payment. Please note, that this list is only a guideline. You may have additional expenses. Please provide these.

35. If you see any of the above costs rising or lowering in the next five years **OTHER THAN NORMAL INFLATION** please list below and indicate why/how much.

36. Does your firm have any income that is not from normal sales? Typical items include interest on bank accounts or sales of surplus equipment. If so, please list what it is, amount, and indicate frequency. _____

37. Do you know or have an estimate of the interest rate you will pay for borrowing and the length of the loan you hope to acquire? If so, what are they? _____

38. How much (additional) cash will you (all founders) be putting into the business?

39. How much in-kind (machinery, tools, inventory, etc.) will you (all founders) be putting into the business (in dollars)? NOTE: In-kind must be based on the value of these items if they were to be sold in their current condition, NOT the value when you purchased them.

40. Do you have other investors (other than the founders) that will be putting cash or in-kind contributions into the business? If so, please list who and the amount.

41. Are your investors expecting regular dividends or other payments? If so, what are they expecting? _____

42. Is there any other information not covered that you think is important to be put into the plan?

Lastly, a business plan normally has several appendices. While these are not required, it provides back-up information that helps a bank or other lender make an intelligent decision about your firm.

Appendices may be just a few pages or a hundred or more and frequently are longer than the plan itself. Below is a partial list of items that could be included:

1. Resumes or bios of all key personnel. For key personnel yet to be hired, a list of qualifications sought could be included.
2. Personal financial statements for the owners. (Will be required for new businesses.)
3. Credit reports on the business
4. More detailed budgets and other financial worksheets.
5. Copies of any intellectual properties rights (e.g., patents)
6. Copies of any agreements having bearing on the business plan (or summaries)
 - a. Suppliers
 - b. Customers/distributors
 - c. Employees
 - d. Leases
7. Advertising or other marketing work – actual or mock-ups
8. Market studies – summaries of the results, copies of questionnaires
9. Summaries of secondary market studies
10. Industry studies or information supporting industry trends.
11. Reference letters, recommendations or endorsements
12. Trade journal or other professional articles having bearing to the business
13. Trade journal or other professional articles references pertinent to target market trends, wants.
14. Photos or sketches of the building, property, equipment, products
15. Map showing the location of the firm (and that of competition for retail)
16. Any other document that would provide back-up for questions likely to be asked.