



Business Plan Checklist

This checklist will help you determine where to begin in your journey of creating a business plan to take to a lender or investor for your new or existing business.



Your Basic Skills and Abilities

1. I can put my thoughts into writing easily or I know someone who can help me do this. Y / N
2. I can understand and do basic arithmetic easily. Y / N
3. I can use a computer spreadsheet program (Excel, Numbers, Sheets or others) or I know someone who can help me. Y / N

If you answered Yes to all of these questions, you can continue on this checklist. If you didn't, you'll have to gain these skills or find these resources before you can go any farther.

The Business Plan Ingredients

4. I am willing to follow a business plan format (see example below) and answer the questions in writing (with coaching or assistance if needed). Y / N
5. I have bookkeeping records for my (existing) business or I can make estimates for the sales and expenses I would have (for a planned business). Y / N

If you answered Yes to both of these questions you can continue on this checklist. You must be willing to work on putting your business ideas in written form and you must have detailed numbers in order to show the performance or potential capacity of your business.

Completing Your Plan



A business owner must be deeply involved in the creation of a business plan. Nobody can write it for you without your involvement because they can't know what you know about the business. Your next step is to go as far as you can either on your own or with the assistance of somebody you know. You may still need more help after this to make sure your plan is well done and will be persuasive to a lender or an investor. Below are sources of free assistance for business plan review. These organizations will not write or research your business plan for you. They will not create your financial projections. They will, however, look over your plan and help you identify errors and improve your results by making suggestions.

Sources for Business Plan Assistance

SCORE.org CTSBDC.com CTWBDC.org Hartford.edu/wbc
Entrepreneurshipfoundation.org

Our Suggested Format



CEDF's Business Education Center collaborates with Santa Clara University's My Own Business Institute. Our business education website features a free course, Launching a Business, which is available at: WeTeachSuccess.org/mobi. It offers explanations to help you understand the information required to complete the format we recommend. A successful loan application or investor agreement is dependent on the facts and circumstances of your business and using this or any other format is not a guarantee of success. Business plans can be in many different formats. It's the content, it's completeness and credibility that matters.

Business Organization

Name

What is the name of your business? Have you registered with the CT Secretary of State?

Business Organization

Explain the form of business organization you intend to use and why it is best for your business.

Professional Consultants

List the names of your bookkeeper, accountant, lawyer, insurance agent and any other professionals assisting you.

Your Business Profile

Description of My Business

Describe your product or service.

Targeted Market and Customers

Describe your customer profile and why customers want or need your product or service.

Growth Trends in this Business

Is the market for your product or service growing or shrinking? What research have you done to know?

Pricing Power

Explain the unique qualities or circumstances concerning your product or service that will enable you to maintain profitable pricing.

Your Vision and Your People

The Vision

Explain your plans for growing the business and what you can realistically accomplish in a defined period of time.

The People -- Work Experience

Describe your work experience in the business you plan to start including a list of your skills and knowledge, which will be required in your business. Do the same for any co-owners or any key personnel you will rely on to manage the business.

Personal Background and Education Credentials

Describe yourself, including your education and previous work experience.

For Home-Based and Freelance Business Opportunities

(Include this section if it applies to your type of business.)

Why is a home-based or freelance business the right choice for you?

Characteristics of your home-based or freelance business:

1. *What are the benefits of operating your business at home or on a freelance basis?*
2. *What characteristics of your business make it a good home-based business?*
3. *Are there any applicable legal restrictions to using your home for a business? For example, special zoning or HOA restrictions? Describe the research you have done.*
4. *How do the government's rules on self-employment impact your new business?*

Describe your home-based or freelance business' online presence.

Will your new business have a website or a web store? How will you create them?

Do you plan to use social media to market your new business?

Which platforms (e.g. Facebook, Instagram) will you use? What is your budget for this marketing effort?

Maintaining a work-life balance.

How will you maintain a work-life balance with your home-based or freelance business? How many hours per week will you commit to the business? Will you have established work hours dedicated to your business? Will you set weekly or monthly goals?

Your Business Location

If your business is not home-based indicate what kind of facility you need to operate such as a store, shop, warehouse, etc.

Prepare a list of your needs and preferences for a new location, if planned, including an estimate of future requirements.

Identify alternative locations for purchase or lease.

Evaluate alternative locations. Include the following:

1. *Explain your criteria for selection.*
2. *Demographic study of the area, if needed.*
3. *Who will assist you with negotiation and review of a lease?*
4. *Estimated annual cost of occupancy both in dollars and as a percent of expected sales.*

Licenses and Permits

Make a comprehensive list of all licenses and permits you will need to do business in your area.

Your list should include the following:

- *Name under which you intend to do business (DBA)*
- *Limitations on use of property in your area (e.g. zoning laws, town ordinances)*
- *Federal, state and local licenses, permits, and certifications needed to do business in your industry (e.g. sales tax permit, licenses, safety certifications, employer identification number, etc.)*
- *Trademark, copyright, and patents that you intend to seek.*

Business Insurance

List the business insurance policies you intend to buy to support your business. Estimate the cost of the insurance by getting quotes. Include any other risk management strategies you intend to utilize. You will need to research this by talking to one or more insurance agents.

Accounting and Cash Flow

Financial Exhibits to Accompany a Business Plan

Provide a chart or spreadsheet showing all of the sources of your start-up capital. Including what you or other investors will contribute and what you intend to borrow. List also in detailed categories what the money will be used for and how much will be left over for working capital.

Most banks will require you to provide your starting balance sheet and projected income statements for the first year. Show the income statement by month for the first year and then by year for years two and three.

Separately, an exhibit of at least a one year cash flow forecast including estimated sales, all costs and capital investments will be required.

You may need to obtain the assistance of your accountant or another business advisor to complete these exhibits.

A nonprofit community lender may only require the projected income statement and cash flow forecast.

Analysis of Costs

List and explain the key costs and profit margins that are important for your business type.

Internal Controls

Explain your intended internal controls and cash controls. For instance, check signing policy, strategy for controlling shrinkage and dishonesty and control of incoming merchandise or supplies.

Ecommerce

(Include this section if it applies to your type of business.)

Describe in detail how you plan to sell your products or services online.

Describe how your best competitors utilize ecommerce and your strategy to improve on their practices.

Research and identify the different channels beyond your own website in which you intend to sell your product or services.

Will you list your products or services on any marketplaces or social media platforms?

What markets do each of these channels serve? What is your projection of sales?

How will you take orders, process payments, and fulfill requests?

Provide a detailed breakdown of the costs involved in creating, operating and maintaining your ecommerce activities.

Marketing

Marketing Plan

Describe your overall marketing and sales strategy including how you plan to get and retain customers.

Advertising and Promotion Plans

Describe your plans and budgets for advertising and promotions.

The Competition

Describe your strongest competitors and how you intend to compete.

Competitors' Weak Points

List your competitors' shortcomings and how you can capitalize on them.

Managing Employees

Payroll

Describe how you will manage your business's payroll. Will you utilize a "Payroll Service Provider" such as ADP, Paychex or services of your accountant?

Human Resources

Provide job descriptions for all employees you intend to hire.

Describe the benefits you intend to offer your employees.

Explain how you will train your employees initially and on an on-going basis.

If you intend to hire more than a few employees you should identify in advance an attorney or human resources consultant who you will use to advise you on employee matters.

CEDF offers a complete course Launching your Business through the My Own Business Institute, which will help you complete this business plan template. Visit: <https://weteachsuccess.org/santa-clara-university-mobi/>