**Business Plan – Template**

**Why have a Business Plan?**

Therealvalueofyourbusinessplanistoempoweryouinasystematicwaytocomprehendthedynamics ofyourbusiness.Itenablesyoutoreviewyourbusinessinasystematicaswellascriticalway.Itmayseem ratherfrivolousatthebeginning,butitdefinitelyavoidscostly,perhapsdetrimentalmistakeslater.

Yourplanisbyfarthemostimportantmarketingtoolforsolicitinganykindofbusinessdevelopmentor financialsupportthrougheffectivepresentationtoinvestors,bankersoranybusinesscollaborators.Your businesspotentialisoftenjudgedbyappearanceofyourplanandthestrengthofyourideas.

**How to write a Business Plan for a Startup Business?**

Abusinessplanconsistsofanarrativeandafewfinancialworksheets,alleditedintoasmooth-flowing document.Useexperts’assistance,particularlyforfinancialworkings,ifpossible.

Allbusinesseshavepeculiarities;thereforechooseandemphasizeonareasofimportancedependingupon your type of business (manufacturing, trading, services, etc.), see the attached guidelines for different types.

To*StartWriting*yourBusinessPlanandtostructureyourreport,startwithestablishingatableofcontent; Use a standard format, for instance thefollowing:

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# Brief Description ofProject

Thisisanintroductorydescriptionofproject,whichisnormallyastatementoffacilitytobeestablished withconcisedescriptionofproductorserviceatadefinedlocation,detailsofwhichwillcomelaterinthe BusinessPlan.Pleaseusethesameasyouwoulddoinyour‘Banksapplicationform’.Anexamplewould be:

‘PrettyGarments’,aGarmentsdesign,stitchingandmarketingfacility,withaworkshopandshowroom, producingtwopairsofembroideredladiessuitsperday.Theworkshopandshowroom,intwoseparate rentedpremises,atKotLakhpatandModelTown,withatotalareaofapproximately750sqft.

# MarketingPlan

Investors consider this as the most important aspect of your plan, allowing them to assess your entrepreneurial strengths. You are advised to think through and present it preferably as follows:

## Product

Describeyourproductsandservicesbyfeaturesandnarratebenefitsfromyourcustomer'spointofview, that is, what will the product do for thecustomer?

Forexample,a‘designergarment’ismadewithcertainmaterialsandhasacertaindesign;thoseareits features.Itsbenefitsincludebeingfashionable,prideinitsexclusivityand/orinclusioninafraternityor sisterhood.Youbuildfeaturesintoyourproductsothatyoucansellthebenefits.

What Product support or after-sale services will you give? Some examples are delivery, warranty, alteration services, product follow-up, and refund policy.

## Customers

Identifyyourtargetedcustomers,theircharacteristics,andthen,formajorcustomergroups,constructa strategy, to attract and retain. Classify themby:

Age,Gender,Location,IncomeLevel,SocialClassandOccupation,Education,Other(specifictoyour industry)

## Distribution Channels

Forsomebusinessesthiscouldbethemostcriticalaspectofbusiness.Insomecases,SalesForecastsmay merelybeafactorofdistributionefficiency,orhighlydependentuponit.

Mentionhowdoyousellyourproductsorservices?Retail,Direct(mailorder,Web,catalog),Wholesale, yourownSalesforce,Agent,Independentrepresentatives,BidonInstitutionalcontractsetc.

## Proposed Location

Probably you do not have a precise location picked out yet and many startups can be started and run successfullyfromhomeforawhile.However,thisisthetimetothinkaboutwhatyouwantandneedina location.

Youwilldescribeyourphysicalneedslater,inthe*OperationalPlan*section.Here,analyzeyourlocation criteriaasitwillaffectyourcustomers.Isyourlocationimportanttoyourcustomers?Ifyes,how?

If customers come to your place of business: Is it convenient? Parking? Interior spaces? Not out of the way? Where is the competition located? Is it better for you to be near them (like a Designer Mall, car dealers or fast-food restaurants) or distant (like convenience-food stores).

## Pricing

Explainyourmethodormethodsofsettingprices.Formostsmallbusinesses,havingthelowestpriceis not a good policy. It robs you of needed profit margin; customers may not care as much about price as youthink,andlargecompetitorscanunderpriceyouanyway.Usuallyyouwilldobettertohaveaverage prices and compete on quality andservice.

Howimportantispriceasacompetitivefactor?Doyourintendedcustomersreallymaketheirpurchase decisions mostly onprice?

## Promotion and Advertising

Nowyouhaveoutlinedamarketingstrategy.Inadditiontoadvertisingandpromotion,whatplansdoyou have for things like logo design, cards and letterhead, brochures, signage, layout and interior design(if customerscometoyourplaceofbusiness).Howmuchwillyouspendontheitemslistedabove?

Beforestartup?(Thesenumberswillgointoyourstartupbudget.) Ongoing?(Thesenumberswillgointoyouroperatingplanbudget.)

# OperationalPlan

Explaintheoperationsofthebusiness,itslocation,equipment,people,processes,andphysical environment.

## Production

Howandwhereyourproductsorservicesareproduced?ExplainyourmethodsofProduction(process flow),techniquesandcostsalongwithQualityControlSystemsandStandards.

## Location

Whatcharacteristicsandfacilitiesdoyouneedinyourlocation?Describethetypeoflocationyou’llhave in terms of Physical requirements like Amount of Space, Type of Building, Zoning, Power and other utilities.

Similarly, describe Access; is it important that your location be convenient to transportation or to suppliers? Do you need easy walk-in access? What are your requirements for parking and proximityto roadetc?

Include a drawing or layout of your proposed facility if it is important, as it might be for a manufacturer.

Cost: Estimate your occupation expenses, including rent, but also include maintenance, utilities, insurance, and initial remodeling costs to make the space suit your needs. These numbers will become part of your financial plan.

## Inventory/suppliers

What kind of inventory will you keep: raw materials, supplies, finished goods? Identify key suppliers. Should you have more than one supplier for critical items (as a backup)?

Cost of Average value in stock (i.e., what is your inventory investment) go into your start-up costs.

## CreditPolicies/Tradedebtors

Somebusinessesfinditnecessarytoselloncredit.Doyoureallyneedtoselloncredit?Isitcustomaryin yourindustryandexpectedbyyourclientele?ManagingYourAccountsReceivablesshouldbeapriority, therefore draw up a credit agingschedule.

## Managing Your Accounts Payable

Youshouldalsoageyouraccountspayable,whatyouowetoyoursuppliers.Thishelpsyouplanwhomto payandwhen.Payingtooearlydepletesyourcash,butpayinglatecancostyouvaluablediscountsand candamageyourcredit.(*Hint:Ifyouknowyouwillbelatemakingapayment,callthecreditorbeforetheduedate.*)

# Management andOrganization

Investorswanttoknow,whowillmanagethebusinessonaday-to-daybasis?Whatexperiencedoesthat person bring to the business? Describe your most important strengths and core competencies. What factorswillmakethebusinesssucceed?Whatdoyouthinkyourmajorcompetitivestrengthsare?What backgroundexperience,skills,andstrengthsdoyoupersonallybringtothisnewventure?

Describe Legal form of ownership; Sole proprietor, Partnership. Mention why you selected this form?

Ifyou’llhavemorethan10employees,createanorganizationalchartshowingthemanagementhierarchy and who is responsible for keyfunctions.

## Professional and Advisory Support

Ifyouhaveaccesstoanyofthefollowingadvisoryservices,theycanbeofimmensehelpandtherefore listthem;

Technical Expert, Legal Attorney, Accountant, Consultant or Advisor, Mentors and Key Advisors

# Startup Expenses andCapitalization

Youwillhavemanyexpensesandcapitalexpenditurebeforeyoubegintooperateyourbusiness.Many goodbusinessideashaveflounderedduetoinadequateplanningorunderestimation.Talktootherswho havestartedsimilarbusinessesandkeepnotestogetagoodideaonhowtoestimateyourexpensesand plan. This is a critical aspect; the more thorough your research is, the less chance that you will underestimate them.

Evenwiththebestofestimation,however,openinganewbusinesshasawayofcostingmorethanyou anticipate. We recommend adding a separate line item, called contingencies, to account for the unforeseeable. As a rule of thumb, contingencies should equal at least 20 percent of the total of the working capital.

Mention how you arrived at your forecasts of expenses. Give sources, amounts, and terms of proposed loans.Alsoexplainindetailhowmuchwillbecontributedbyeachinvestorandwhatpercentownership each will have, if you havepartners.

# FinancialPlan

A normal financial plan consists of three types of statements: a 12-month profit and loss projection, a cash-flowprojection,aprojectedbalancesheet,inadditiontoabreak-evencalculation,a8-yearprofitand lossprojection(optional).Togethertheyconstituteareasonableestimateofyourcompany'sfinancial

future.Moreimportant,theprocessofthinkingthroughthefinancialplanwillimproveyourinsightinto theinnerfinancialworkingsofyourcompany.Whileyoucanprepareyourfinancialprojectionswithhelp of financial calculators and consult the examples from any relevant prefeasibility prepared for this purpose, you are strongly recommended to engage accountants or proficientcommercegraduatestoassistorreviewthefinancialstatements,lestyoumakeaninadvertent mistake and getconfused.

Following example will illustrate it better;

## Month Profit and LossProjection

Manybusinessownersthinkofthe12-monthprofitandlossprojectionasthecenterpieceoftheirplan. Thisiswhereyouputitalltogetherinnumbersandgetanideaofwhatitwilltaketomakeaprofitand besuccessful.

Yourprojectionswillcomefromasalesforecastinwhichyouforecastsales,costofgoodssold,expenses, and profit, month-by-month for oneyear.

Profit projections should be accompanied by a narrative explaining the major assumptions used to estimate company income and expenses.

ResearchNotes:Keepcarefulnotesonyourresearchandassumptions,sothatyoucanexplainthemlater ifnecessary,andalsosothatyoucangobacktoyoursourceswhenit’stimetoreviseyourplan

### Please see the example given below:

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Income Statement** | | | | | | | | | | |
|  | | | | | | | | | | |
| **Year 1** | | **Year 2** | **Year 3** | **Year 4** | **Year 5** | **Year 6** | **Year 7** | **Year 8** | **Year 9** | **Year 10** |
| Revenue | 8,500,800 | 10,380,832 | 11,448,730 | 12,593,603 | 13,852,963 | 15,238,259 | 16,762,085 | 18,438,294 | 20,282,123 | 22,310,335 |
| *Cost of sales* |  |  |  |  |  |  |  |  |  |  |
| Cost of goods sold 1 | 2,040,192 | 2,491,400 | 2,747,695 | 3,022,465 | 3,324,711 | 3,657,182 | 4,022,900 | 4,425,190 | 4,867,709 | 5,354,480 |
| Operation costs 1 (direct labor) | 1,966,500 | 2,245,922 | 2,471,023 | 2,711,605 | 2,975,611 | 3,265,320 | 3,583,236 | 3,932,105 | 4,314,941 | 4,735,049 |
| Operating costs 2 (machinery maintenance) | 32,200 | 39,321 | 43,366 | 47,703 | 52,473 | 57,721 | 63,493 | 69,842 | 76,826 | 84,509 |
| Operating costs 3 (direct electricity) | 139,801 | 170,720 | 188,282 | 207,110 | 227,821 | 250,603 | 275,664 | 303,230 | 333,553 | 366,909 |
| Total cost of sales | 4,178,693 | 4,947,362 | 5,450,366 | 5,988,883 | 6,580,616 | 7,230,827 | 7,945,293 | 8,730,368 | 9,593,030 | 10,540,947 |
| Gross Profit | 4,322,107 | 5,433,470 | 5,998,363 | 6,604,720 | 7,272,346 | 8,007,433 | 8,816,792 | 9,707,925 | 10,689,093 | 11,769,388 |
| *General administration & selling expenses* |  |  |  |  |  |  |  |  |  |  |
| Administration expense | 1,530,000 | 1,678,963 | 1,842,429 | 2,021,811 | 2,218,657 | 2,434,669 | 2,671,711 | 2,931,833 | 3,217,280 | 3,530,519 |
| Administration benefits expense | 45,900 | 50,369 | 55,273 | 60,654 | 66,560 | 73,040 | 80,151 | 87,955 | 96,518 | 105,916 |
| Building rental expense | 624,000 | 686,400 | 755,040 | 830,544 | 913,598 | 1,004,958 | 1,105,454 | 1,215,999 | 1,337,599 | 1,471,359 |
| Electricity expense | 171,496 | 188,645 | 207,510 | 228,261 | 251,087 | 276,195 | 303,815 | 334,197 | 367,616 | 404,378 |
| Travelling expense | 212,520 | 259,521 | 286,218 | 314,840 | 346,324 | 380,956 | 419,052 | 460,957 | 507,053 | 557,758 |
| Communications expense (phone, fax, mail, internet, etc.) | 22,950 | 25,184 | 27,636 | 30,327 | 33,280 | 36,520 | 40,076 | 43,977 | 48,259 | 52,958 |
| Office expenses (stationary, entertainment, janitorial services, etc.) | 15,300 | 16,790 | 18,424 | 20,218 | 22,187 | 24,347 | 26,717 | 29,318 | 32,173 | 35,305 |
| Promotional expense | 850,080 | 1,038,083 | 1,144,873 | 1,259,360 | 1,385,296 | 1,523,826 | 1,676,209 | 1,843,829 | 2,028,212 | 2,231,034 |
| Depreciation expense | 120,212 | 120,212 | 120,212 | 120,212 | 120,212 | 133,031 | 133,031 | 133,031 | 133,031 | 133,031 |
| Amortization of pre-operating costs | 39,616 | 39,616 | 39,616 | 39,616 | 39,616 | 39,616 | 39,616 | 39,616 | 39,616 | 39,616 |
| Subtotal | 3,632,074 | 4,103,784 | 4,497,232 | 4,925,844 | 5,396,817 | 5,927,159 | 6,495,833 | 7,120,714 | 7,807,360 | 8,561,875 |
| Operating Income | 690,033 | 1,329,686 | 1,501,131 | 1,678,876 | 1,875,529 | 2,080,273 | 2,320,958 | 2,587,211 | 2,881,734 | 3,207,513 |
| Gain / (loss) on sale of office equipment | - | - | - | - | 92,800 | - | - | - | - |  |
| Earnings Before Interest & Taxes | 690,033 | 1,329,686 | 1,501,131 | 1,678,876 | 1,968,329 | 2,080,273 | 2,320,958 | 2,587,211 | 2,881,734 | 3,207,513 |
| Interest expense on long term debt (Project Loan) | 150,705 | 132,425 | 112,628 | 91,187 | 67,968 | 42,821 | 15,586 | - | - | - |
| Subtotal | 150,705 | 132,425 | 112,628 | 91,187 | 67,968 | 42,821 | 15,586 | - | - | - |
| Earnings Before Tax | 539,328 | 1,197,261 | 1,388,503 | 1,587,688 | 1,900,362 | 2,037,452 | 2,305,372 | 2,587,211 | 2,881,734 | 3,207,513 |
| Tax | 13,933 | 102,089 | 130,775 | 165,037 | 227,572 | 254,990 | 308,574 | 369,303 | 442,933 | 524,378 |
| **NET PROFIT/(LOSS) AFTER TAX** | **525,395** | **1,095,172** | **1,257,728** | **1,422,651** | **1,672,789** | **1,782,462** | **1,996,798** | **2,217,909** | **2,438,800** | **2,683,135** |

## Projected Cash Flow

Iftheprofitprojectionistheheartofyourbusinessplan,cashflowistheblood.Businessesfailbecausethey cannotpaytheirbills.Everypartofyourbusinessplanisimportant,butnoneofitmeansathingifyourun out ofcash.

Thepointofthisworksheetistoplanhowmuchyouneedbeforestartup,forpreliminaryexpenses,operating expenses, and reserves. You should keep updating it and using it afterward. It will enable you to foresee shortages in time to do something about them—perhaps cut expenses, or perhaps negotiate a loan. But foremost, you shouldn’t be taken bysurprise.

There is no great trick in preparing it: The cash-flow projection is just a forward look at your checking account.

Foreachitem,determinewhenyouactuallyexpecttoreceivecash(forsales)orwhenyouwillactuallyhave to write a check (for expenseitems).

You need to account for operating data, which have an impact on cash flow, such as sales and inventory purchases.

You should also track cash outlays prior to opening in a pre-startup column. You should have already researched those for your startup expenses plan.

Your cash flow will show you whether your working capital is adequate. Clearly, if your projected cash balanceevergoesnegative,youwillneedmorestart-upcapital.Thisplanwillalsopredictjustwhenandhow much you will need toborrow.

Explainyourmajorassumptions;especiallythosethatmakethecashflowdifferfromthe*ProfitandLossProjection*. For example, if you make a sale in month one, when do you actually collect the cash? When you buy inventoryormaterials,doyoupayinadvance,upondelivery,ormuchlater?Howwillthisaffectcashflow?

Arethereirregularexpenses,suchasquarterlytaxpayments,maintenanceandrepairs,orseasonalinventory buildup that should bebudgeted?

Loanpayments,equipmentpurchases,andowner'sdrawsusuallydonotshowonprofitandlossstatements but definitely do take cash out. Be sure to includethem.

Andofcourse,depreciationdoesnotappearinthecashflowatallbecauseyouneverwriteorreceiveacheck for it. **Please see the example given below:**

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Cash Flow Statement** | | | | | | | | | | | |
|  | | | | | | | | | | | |
| **Year 0** | | **Year 1** | **Year 2** | **Year 3** | **Year 4** | **Year 5** | **Year 6** | **Year 7** | **Year 8** | **Year 9** | **Year 10** |
| *Operating activities* |  |  |  |  |  |  |  |  |  |  |  |
| Net profit |  | 525,395 | 1,095,172 | 1,257,728 | 1,422,651 | 1,672,789 | 1,782,462 | 1,996,798 | 2,217,909 | 2,438,800 | 2,683,135 |
| Add: depreciation expense |  | 120,212 | 120,212 | 120,212 | 120,212 | 120,212 | 133,031 | 133,031 | 133,031 | 133,031 | 133,031 |
| amortization of pre-operating costs |  | 39,616 | 39,616 | 39,616 | 39,616 | 39,616 | 39,616 | 39,616 | 39,616 | 39,616 | 39,616 |
| Deferred income tax |  | 13,933 | 102,089 | 130,775 | 165,037 | 227,572 | 254,990 | 308,574 | 369,303 | 442,933 | 524,378 |
| Accounts receivable |  | (163,029) | (18,028) | (28,268) | (21,218) | (23,054) | (25,360) | (27,896) | (30,685) | (33,754) | (37,129) |
| Finished goods inventory |  | (181,682) | (24,996) | (20,420) | (22,438) | (24,656) | (27,092) | (29,769) | (32,711) | (35,944) | (39,497) |
| Equipment inventory | (5,367) | (1,515) | (1,087) | (1,235) | (1,427) | (1,648) | (1,903) | (2,198) | (2,539) | (2,932) | 21,850 |
| Raw material inventory | (170,016) | (58,362) | (48,681) | (58,182) | (70,401) | (85,185) | (103,074) | (124,719) | (150,910) | (182,601) | 1,052,132 |
| Pre-paid building rent | (312,000) | (31,200) | (34,320) | (37,752) | (41,527) | (45,680) | (50,248) | (55,273) | (60,800) | (66,880) | 735,680 |
| Accounts payable |  | 94,835 | 20,881 | 13,141 | 14,422 | 16,186 | 18,193 | 20,483 | 23,100 | 26,097 | (23,816) |
| Cash provided by operations | (487,383) | 358,203 | 1,250,858 | 1,415,615 | 1,604,928 | 1,896,153 | 2,020,617 | 2,258,647 | 2,505,313 | 2,758,367 | 5,089,381 |
| *Financing activities* |  |  |  |  |  |  |  |  |  |  |  |
| Project Loan - principal repayment |  | (220,241) | (238,521) | (258,318) | (279,758) | (302,978) | (328,125) | (355,359) | - | - | - |
| Working Capital Loan - principal repayment |  | - | - | - | - | - | - | - | - | - | - |
| Issuance of shares | 220,367 | - | - | - | - | 296,097 | - | - | - | - | - |
| Purchase of (treasury) shares |  |  |  |  |  |  |  |  |  |  |  |
| Cash provided by / (used for) financing activities | 2,203,667 | (220,241) | (238,521) | (258,318) | (279,758) | (6,881) | (328,125) | (355,359) | - | - | - |
| *Investing activities* Capital expenditure Acquisitions | (1,366,284) | - | - | - | - | (296,097) | - | - | - | - | - |
| Cash (used for) / provided by investing activities | (1,366,284) | - | - | - | - | (296,097) | - | - | - | - | - |
|  | | | | | | | | | | | |
| **NET CASH** | **350,000** | **137,962** | **1,012,337** | **1,157,297** | **1,325,170** | **1,593,175** | **1,692,492** | **1,903,288** | **2,505,313** | **2,758,367** | **5,089,381** |

## Opening Day Balance Sheet

Abalancesheetisoneofthefundamentalfinancialreportsthatanybusinessneedsforreportingandfinancial management.Abalancesheetshowswhatitemsofvalueareheldbythecompany(assets),andwhatitsdebts are(liabilities).Whenliabilitiesaresubtractedfromassets,theremainderisowners’equity.

Useastartupexpensesandcapitalizationspreadsheetasaguidetopreparingabalancesheetasofopening day.Thendetailhowyoucalculatedtheaccountbalancesonyouropeningdaybalancesheet.

Optional:Somepeoplewanttoaddaprojectedbalancesheetshowingtheestimatedfinancialpositionofthe company at the end of the first year. This is especially useful when selling your proposal for long term investment/loan.

### Please see the example given below:

## Balance Sheet

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Balance Sheet** | | | | | | | | | | | |
|  | | | | | | | | | | | |
| **Year 0** | | **Year 1** | **Year 2** | **Year 3** | **Year 4** | **Year 5** | **Year 6** | **Year 7** | **Year 8** | **Year 9** | **Year 10** |
| **Assets** |  |  |  |  |  |  |  |  |  |  |  |
| *Current assets* |  |  |  |  |  |  |  |  |  |  |  |
| Cash & Bank | 350,000 | 487,962 | 1,500,299 | 2,657,596 | 3,982,766 | 5,575,941 | 7,268,433 | 9,171,721 | 11,677,034 | 14,435,401 | 19,524,781 |
| Accounts receivable |  | 163,029 | 181,057 | 209,325 | 230,543 | 253,597 | 278,957 | 306,853 | 337,538 | 371,292 | 408,421 |
| Finished goods inventory |  | 181,682 | 206,678 | 227,099 | 249,537 | 274,192 | 301,284 | 331,054 | 363,765 | 399,710 | 439,206 |
| Equipment spare part inventory | 5,367 | 6,881 | 7,969 | 9,204 | 10,630 | 12,278 | 14,181 | 16,379 | 18,918 | 21,850 | - |
| Raw material inventory | 170,016 | 228,378 | 277,059 | 335,242 | 405,642 | 490,827 | 593,901 | 718,620 | 869,531 | 1,052,132 | - |
| Pre-paid building rent | 312,000 | 343,200 | 377,520 | 415,272 | 456,799 | 502,479 | 552,727 | 608,000 | 668,800 | 735,680 | - |
| Total Current Assets | 837,383 | 1,411,133 | 2,550,582 | 3,853,737 | 5,335,918 | 7,109,315 | 9,009,483 | 11,152,627 | 13,935,585 | 17,016,064 | 20,372,408 |
| *Fixed assets* |  |  |  |  |  |  |  |  |  |  |  |
| Machinery & equipment | 300,500 | 270,450 | 240,400 | 210,350 | 180,300 | 150,250 | 120,200 | 90,150 | 60,100 | 30,050 | - |
| Furniture & fixtures | 437,620 | 393,858 | 350,096 | 306,334 | 262,572 | 218,810 | 175,048 | 131,286 | 87,524 | 43,762 | - |
| Office equipment | 232,000 | 185,600 | 139,200 | 92,800 | 46,400 | 296,097 | 236,878 | 177,658 | 118,439 | 59,219 | - |
| Total Fixed Assets | 970,120 | 849,908 | 729,696 | 609,484 | 489,272 | 665,157 | 532,126 | 399,094 | 266,063 | 133,031 | - |
| *Intangible assets*  Pre-operation costs | 396,164 | 356,548 | 316,931 | 277,315 | 237,699 | 198,082 | 158,466 | 118,849 | 79,233 | 39,616 | - |
| Total Intangible Assets | 396,164 | 356,548 | 316,931 | 277,315 | 237,699 | 198,082 | 158,466 | 118,849 | 79,233 | 39,616 | - |
| **TOTAL ASSETS** | **2,203,667** | **2,617,589** | **3,597,210** | **4,740,536** | **6,062,888** | **7,972,555** | **9,700,075** | **11,670,570** | **14,280,881** | **17,188,712** | **20,372,408** |
| **Liabilities & Shareholders' Equity**  *Current liabilities*  Accounts payable |  | 94,835 | 115,716 | 128,856 | 143,278 | 159,464 | 177,657 | 198,139 | 221,239 | 247,336 | 223,520 |
| Total Current Liabilities | - | 94,835 | 115,716 | 128,856 | 143,278 | 159,464 | 177,657 | 198,139 | 221,239 | 247,336 | 223,520 |
| *Other liabilities* |  |  |  |  |  |  |  |  |  |  |  |
| Deferred tax |  | 13,933 | 116,022 | 246,797 | 411,835 | 639,407 | 894,397 | 1,202,971 | 1,572,274 | 2,015,207 | 2,539,585 |
| Long term debt (Project Loan) | 1,983,300 | 1,763,059 | 1,524,538 | 1,266,220 | 986,462 | 683,484 | 355,359 | - | - | - | - |
| Long term debt (Working Capital Loan) | - | - | - | - | - | - | - | - | - | - | - |
| Total Long Term Liabilities | 1,983,300 | 1,776,992 | 1,640,560 | 1,513,018 | 1,398,297 | 1,322,891 | 1,249,756 | 1,202,971 | 1,572,274 | 2,015,207 | 2,539,585 |
| *Shareholders' equity* Paid-up capital Retained earnings | 220,367 | 220,367  525,395 | 220,367  1,620,567 | 220,367  2,878,295 | 220,367  4,300,946 | 516,464  5,973,736 | 516,464  7,756,198 | 516,464  9,752,996 | 516,464  11,970,904 | 516,464  14,409,704 | 516,464  17,092,839 |
| Total Equity | 220,367 | 745,762 | 1,840,934 | 3,098,662 | 4,521,313 | 6,490,200 | 8,272,662 | 10,269,460 | 12,487,368 | 14,926,168 | 17,609,303 |
| **TOTAL CAPITAL AND LIABILITIES** | **2,203,667** | **2,617,589** | **3,597,210** | **4,740,536** | **6,062,888** | **7,972,555** | **9,700,075** | **11,670,570** | **14,280,881** | **17,188,712** | **20,372,408** |

## Break-Even Analysis

A break-even analysis predicts the sales volume, at a given price, required to recover total costs. In other words, it’s the sales level that is the dividing line between operating at a loss and operating at a profit.

Expressed as a formula, break-even is:

|  |  |
| --- | --- |
| Break-even Sales= | FixedCosts |
| Sale price per unit **-** Variable Cost per unit | |

Include all assumptions upon which your break-even calculation is based.

# Appendices

By including relevant material and studies used in preparation of business plan, you will have better results;

* + Any Product brochures and advertising materials, if developed oravailable.
  + Industry studies or articles (or a SMEDA prefeasibilitystudy).
  + Blueprints, Maps and photos of location, ifprepared.
  + Detailed lists of equipment owned and to bepurchased.
  + Copiesofleasesandcontracts,ifalreadynegotiated(MayuseaSMEDAContractTemplate).
  + Letters of support from future customers orsuppliers.
  + Any other materials needed to support the assumptions in thisplan.

# Refining thePlan

Please note following points for preparing Plans for different Types of Businesses:

## Manufacturing

* + Planned productionlevels.
  + Anticipatedlevelsofdirectproductioncostsandindirect(overhead)costs—howdothesecompare to industry averages (ifavailable).
  + Prices per productline.
  + Gross profit margin, overall and for each productline.
  + Production/capacitylimitsofplannedphysicalplant.
  + Production/capacitylimitsofequipment.
  + Purchasing and inventory managementprocedures.
  + New products under development or anticipated to come online afterstartup.

## Service Businesses

Servicebusinessessellintangibleproducts.Theyareusuallymoreflexiblethanothertypesofbusinesses, buttheyhavehigherlaborcostsandgenerallyverylittlefixedassets.

* + What are the key competitive factors in thisindustry?
  + Your prices, transparency and methods used to setprices.
  + System of productionmanagement.
  + QualitycontrolproceduresandStandardsoracceptedindustryqualitystandards?
  + How will you measure laborproductivity?
  + Percentofworksubcontractedtootherfirms.Willyoumakeaprofitonsubcontracting?
  + Credit, payment, and collections policies andprocedures.
  + Strategy for keeping clients satisfied and enhancingbase.

## High Technology Companies

* + Economic outlook for the industry, overall growthindicators.
  + Willthecompanyhaveinformationsystemsinplacetomanagerapidlychangingprices,costs,and markets?
  + Will you be on the cutting edge with your products andservices?
  + Whatisthestatusofresearchanddevelopment?Andwhatisrequiredto:
    - Bringproduct/servicetomarket?
    - Keep the companycompetitive?
  + How does thecompany:
    - Protect intellectualproperty?
    - Avoid technologicalobsolescence?
    - Supply necessarycapital?
    - Retain keypersonnel?

High-techcompaniessometimeshavetooperateforalongtimewithoutprofitsandsometimesevenwithout sales. You must do longer-term financial forecasts to show when profit take-off is expected to occur. And your assumptions must be well documented and wellargued.

## Trading Business

* + Company image and brandingetc.
  + Pricing:
    - Explain markuppolicies.
    - Pricesshouldbeprofitable,competitive,andinaccordancewiththecompanyimage.
  + Inventory:
    - Selection and price should be consistent with companyimage.
    - Inventory level: Find industry averages (numbers) for annual inventory turnover rate Multiplyyourinitialinventoryinvestmentbytheaverageturnoverrate.Theresultshouldbe atleastequaltoyourprojectedfirstyear'scostofgoodssold.Ifitisnot,youmaynothave enough budgets for startupinventory.
  + Customerservicepolicies:Theseshouldbecompetitiveandinaccordancewithcompanyimage.
  + Location: Does it give the exposure that you need? Is it convenient for customers? Is it consistent with companyimage?
  + Promotion:methodsused;estimatecost;Doesitprojectaconsistentcompanyimage?
  + Credit:Doyouextendcredittocustomers?Ifyes,doyoureallyneedto,anddoyoufactorthecost intoprices?