

Basic components of the business plan/loan package:

- ❖ **A summary of your project and executive overview** – this section is basically the introduction to your plan providing a brief description of the nature and specific characteristics of your project (whether its a new business, new product or service you propose to offer); the type of financing and amount being sought; description of the industry your business operates in and any major competitors, and how the business stacks up to them.
- ❖ **Define your concept** – this section should describe how your product or service is distinguishable from its competition, beneficial to your intended customers, and a description of who those customers are. This section should serve to answer all of the questions your potential investors may have concerning the product/service idea.
- ❖ **Financing plan** – this section details the amount of money you need, when you need that money, what it will be used for, how you intend to pay it back, the equity you have invested in the project, what your investors can expect to receive in return for financing your project. At a minimum, the financial information you prepare should include financial statements for a five-year period, and a listing of the assumptions you used in preparing your numbers. The financial statements should be prepared on a monthly basis until your statements reflect that your cash flow from operations is sufficient to pay your operating expenses and provide for debt repayment. You should attempt to make this presentation as realistic as you can.
- ❖ **Management & organization** – this section should introduce your management team, and demonstrate that you have the people and resources under contract to make your project a success. These people can be actual employees of your company, or available through management or consulting contracts to provide you with the business expertise needed.
- ❖ **Competition and marketing** – you need to provide information to your potential lenders/investors about the competitive climate in which you will be operating and why you can succeed in that climate. You should discuss your pricing strategies, those companies that are in direct competition, your marketing plan, and current and forecasted conditions of the industry as a whole.
- ❖ **Appendices** – items you should normally include as attachments to your package are:
 - detailed resumes of management team or key personnel
 - copies of patents, copyright approvals, or applications
 - copies of product brochures or other marketing documents
 - market studies, articles from industry/trade journals that are relevant and current (relating either to your product/service or the industry)
 - signed customer orders or letters of intent, if you have them