

## Sample Business plan preparation

Below is a sample business plan. Please use it as a model in preparing your plan. While the subject matter is certainly not relevant, the format is. You can use this as a guide versus what you have done to date, only substitute your information for that on this plan. Note that banks these days want only 6-8 pages of specific information, which should cover an explanation of your business, its activities, and key goals; your perception of how it will grow and prosper; an analysis of competition and how you differ from it; a description of your product and how you will market it; how you will staff and manage the business, including a profile of you and key personnel; financial data, such as a balance sheet analysis, a break-even chart, a profit-and-loss statement, and most importantly, a cash flow analysis; and testimonials from potential customers, research materials, or anything of that ilk that might be relevant to obtaining financing.

Banks are looking for the type of project, company history if any, direct experience of the borrower or key personnel; 15-30% cash infusion, cash flow, collateral, borrowers net worth, borrowers credit history, and a business plan-specific and concise information. Of course the cash flow projection is very important.

First thing to tackle is the cover sheet which is relatively simple, and should take little time.

### 1. Cover Sheet

- a. Identify the business and the document.
- b. Location, phone number and email address.
- c. Owner who wrote the business plan, his/her personal telephone number including cell phone number and email address.

Proceed to section 2.

### 2. Statement of Purpose (should be presented in a table)

- a. Who is asking for money-Business name and owner's name?)
- b. How much money is needed?
- c. What is the money needed for and how will the funds benefit the business?
- c. How will the funds be used?

Once you have finished these two sections, and are satisfied with what you have done, proceed to section 3. Don't worry about getting it all done at once. It is more important to think about what you are writing in each section, one leading logically to the next. From 3 go to 4, then 5, then 6.

### 3-4. The Business (pages 3-4-present partially in a table)

- a. Describe the business including product/service, startup or expansion, acquisition, etc. **What makes your business unique or different?**

b. Location of business (address) and market (town, city, zip codes, states, etc.). Why is this the right location for your business?

c. Markets to be served-Who will buy your service or product?

(1.) Specify target customers-where and size (population, yearly dollar sales)? Is it growing, steady, or declining? What are the various segments and size of each and are the segments growing, steady, or declining?

(2.) Who are the competitors, e.g. other products, services, out-of-area, etc.? Identify strengths and weaknesses of competitors and **your advantage/Disadvantage** over them, e.g., better location, better service, more products, fresher/flavorful products, cost advantage, etc.

#### 5. The Management and Personnel (page 4)

a. Personal history (outline) of owners or principals-education, business experience, management experience, personal information (age, marital and family status), experience related to planned business and duties/responsibilities in the company.

b. Who are the key personnel and what are their necessary skills? How will you hire and train them?

#### 5. Financials and Expected Effect of Loan (page 5-present in a table)

a. Simple 3 year quarterly cash flow projection showing when and how loan will be used and when loan would be repaid.

#### 6. Summary (page 6-in outline bullet form)

a. Name of business

b. Loan being requested, use of loan, and expected repayment schedule

c. Uniqueness of the business, its strengths, its challenges, and how to mitigate the problems

Remember that this is just a sample. You will have to adapt your particular business particulars to this outline.

**Sample Skeleton Business Plan**

**Page 1 - Cover Sheet**

**FRESH PERFECTION, LLC**

**Business Plan**

**December 17, 2008**

**Business Address**

2468-B Ortega Highway  
San Juan Capistrano, CA 92675  
949-123-4567  
[freshperfection@cox.net](mailto:freshperfection@cox.net)

**Proprietor**

Pablo Gomez Labrador  
1500 Sanchez Street  
San Juan Capistrano, CA 92675  
(H) 949-248-8910  
(C) 949-248-1234  
[pblogomezlabrador@cox.net](mailto:pblogomezlabrador@cox.net)

## **Sample Skeleton Business Plan**

### **Page 2 - Statement of Purpose**

#### **Fresh Perfection, LLC Business Plan December 17, 2008**

#### **Purpose**

- To secure a 5-year fixed interest financing for \$50,000 to be used to expand current business capacity.
- The \$50,000 will be used as follows
  1. \$10,000 - Additional 1,000 square feet back-room cold storage refrigeration equipment and shelves including labor.
  2. \$7,000 - New fresh packaged salad processing table, washing and sanitizing equipment, and weighing and labeling machine.
  3. \$1,500 - New juicing equipment including juicing table.
  4. \$4,000 - To develop FDA-conforming procedures and food safety program including training program of store staff.
  5. \$7,000 - Initial promotion and local advertising for the first 6 months of expanded operation.
  6. \$15,000 - Increase in working capital requirement, e.g., lease of additional 2,000 square feet adjacent space, 3 new hires for salad processing and juicing, etc.
  7. \$5,500 - One new employee bathroom and locker room

#### **Benefits to Current Business**

- Meet customer demand for fresh juice and precut salads of fruits and vegetables in season.
- Attract new customers with new product line especially working mothers who want food convenience. Note: Ralph's is closing store which is 2 miles away.
- Estimated additional gross sales of \$6,000 per month with profit before tax of \$1,500.
- Enable use of some daily "excess" whole fruit and vegetable inventory for precut salad and juice. This will also help keep whole fruit inventory "more" fresh.
- Help defray management overhead thus reducing product cost per unit.
- Provide company with stronger purchasing clout with suppliers.

#### **Loan Repayment**

- Loan would be repaid \$12,500 per year (\$10,000 principal + \$2,500 interest @ 5% APR).

## **Sample Skeleton Business Plan**

### **Page 3 - The Business**

#### **Business Description**

Produce Perfection, LLC (Produce Perfection) is a four-year old company dedicated to serving middle to upscale customers in San Juan Capistrano, CA the freshest highest quality seasonal produce available at competitive prices. Customer service is anchored on:

- Friendly home-atmosphere customer reception and service.
- Colorful, clean and well-maintained easily accessible "open" displays.
- Attention to special customer request/requirement on fruit assortment, size, ripeness, packaging, etc.
- Meeting special customer request for future availability or product pick up.
- Focus on product assortment particularly hard-to-obtain items, e.g., special mushroom varieties; large size Clementine & other mandarin oranges; assortment of raspberries, blueberries and strawberry; and exotic fruits and vegetables.

Produce Perfection is unique in San Juan Capistrano:

- There are no other stores that consistently offer the variety of seasonal high quality produce offered by Produce Perfection (We "shop" each week all competitors including large retail chains in San Juan Capistrano for product offering, varieties and pricing).
- Produce Perfection offers home delivery within 10-mile radius for a minimum purchase of \$30 + \$5 delivery charge.
- Our pricing is competitive from a combination of attention to inventory management, retaining motivated employees and in-depth knowledge of produce sourcing.
- Unique store format that incorporates colorful open merchandising, clean store environment
- Close proximity to the middle to upper communities of San Juan Capistrano, Ladera Ranch, Mission Viejo and Dana Point

#### **Store location**

- Address - 2468-B Ortega Highway  
San Juan Capistrano, CA 92675  
1.5 miles east of Freeway 5; 2.5 miles from downtown & SJC Mission
- Store is:
  - 0.25 mile from Hunt's Club (upscale community of 2,000 homes ranging from \$1.5 to \$6 mil)
  - 0.5 mile from Marbella Golf Club (upscale community of 1,500 homes ranging from \$1.5 to \$4 mil)
  - 1.0 mile from Stoneridge Community (upscale community of 400 homes ranging from \$.5 to \$4 mil)
  - 2 miles from southern part of Mission Viejo (medium to upscale community of over 4,000 homes)

Sample Skeleton Business Plan

Page 4 - The Business - cont'd ...

2 miles west of Ladera Ranch a development of 4,000 medium to upscale homes  
 2 miles east of middle to upscale west SJC communities.  
 4 miles from upscale Bear Brand Ranch in Dana Point.

- Serves a growing SJC community of 50,000. SJC is essentially a bedroom community for upscale employees working in Irvine, Newport Beach, Mission Viejo and San Clemente.

Competition

Store	Location	Size & Format	Main Market
Ralphs	1234 Del Avion, SJC	40,000 sq. ft. - regular produce	West & downtown SJC. Middle - upscale customers.
Vons	567 Camino Capistrano, SJC	40,000 sq. ft - regular produce	West & downtown SJC. Middle - upscale customers
Country Store	12000 Del A vion, SJC	10,000 sq. ft - organic & natural produce & meat	South, west & downtown SJC. Middle - upscale customers.
Albertson's	15000 Del A vion, Dana Point	50,000 sq. ft. - regular produce	South & west SJC.
Marbella	13500 Rancho Viejo, SJC	20,000 sq. ft- upscale supermarket	Same as Produce Perfection - upscale customers.
Bristol Farms	14000 Crown Valley, Mission Viejo	30,000 sq. ft- very upscale supermarket	Mission Viejo, Laguna Niguel & upscale SJC communities
Costeo'	16000 Crown Valley, Mission Viejo	60,000 sq. ft store'	Mission Viejo, Laguna Niguel & SJC

Produce Perfection versus Competition

Competition	Produce Perfection Advantage	Produce Perfection Disadvantaze
Ralphs	Overall produce quality, competitive pricing., customer service in friendly home-atmosphere environment	Special promotion pricing & one-stop supermarket shopping
Vons	Same as above	Same as above
Country Store	Superior produce quality and selection	Proximity to south, west and downtown SIC
Albertson's	Overall produce quality, competitive pricing., customer service in friendly home-atmosphere environment	Special promotion pricing & one-stop supermarket shopping
Marbella	Competitive pricing. Focus on produce	Same as above
Bristol Fanus	Same as above	Same as above. Proximity to Mission Viejo & Laguna Niguel
Costeo	Superior produce quality and selection	Pricing. Proximity to Mission Viejo & Laguna Niguel

## **Sample Skeleton Business Plan**

### **Page 5 - The Management & Personnel**

#### **Management**

##### **Proprietor & General Manager - Pablo Gomez Labrador**

Six (6) years Produce Manager at Albertson's, Ladera Ranch. One year Produce Merchandiser at Albertson's, Southern California Division. Graduate of Saddleback Community College, major in business administration. Married to Rosario Gomez Mendoza with 3 children. In-charge of purchasing, inventory management & merchandising/display.

##### **Manager - James Smith**

Five (5) years Store Manager and 2 years Produce Manager at Ralphs, Irvine. BS in Business Administration, University of California, Riverside. Married to Caroline Smith. In-charge of 2 sales/check-out clerks, employee training, store maintenance and delivery driver/clerk.

##### **Bookkeeper - Rosario Gomez Mendoza**

Graduate of Saddleback Community College, major in accounting. Responsible for daily balancing of sales versus credit card and cash transactions, daily bank deposit, processing of payables.

**Outside Accountant - Myers, Ogilvie & Associates Accounting, Crown Valley, Mission Viejo. Tel. 949-678-9101.**

**Sample Skeleton Business Plan**

**Page 6 - Financials**

	1 <sup>st</sup> Qtr.	2 <sup>nd</sup> Qtr.	3rd Qtr.	4th Qtr.	2009	2010	2011
Sales - Fresh fruit & vegetables							
Packaged salad							
Fresh juice							
Other							
Total Sales							
Cost of Goods Sold							
Fresh fruit & vegetables							
Packaged salad							
Fresh juice							
Other							
Total Cost of Goods Sold							
Gross Profit							
Percent (%) Gross Margin							
Store lease							
Utilities & maintenance							
Depreciation of store equipment and display							
Depreciation of delivery truck							
Truck maintenance & fuel							
Salaries - Management							
Clerks & driver							
Employee benefits							
Accounting services							
Miscellaneous taxes & registration							
Total Expenses							
Profit Before Tax							
Tax							
Net Profit							
EBITDA							



## Sample Skeleton Business Plan

### Page 7 - Summary

#### Summary

- **Fresh Perfection, LLC**  
2468-B Ortega Highway  
San Juan Capistrano, CA 92675  
949-123-4567  
[freshperfection@cox.net](mailto:freshperfection@cox.net)
- Request for 5-year fixed interest financing for \$50,000 to add fresh made-in-store packaged fruit and vegetable salads and juices to product line and expand current business capacity.
- The capital will be used to purchase salad and juice processing and packaging equipment; to add 1,000 square feet of cold storage, and another 1,000 square feet of processing/juicing space; to support initial promotion and advertising; to develop FDA-conforming processing procedures and food safety program; and for additional working capital
- The expansion will meet customer demand for fresh juice and precut salads, attract new customers, and produce additional gross sales of \$6,000 with profit before tax of \$1,500 per month.
- The loan will be repaid in five years at approximately \$12,500 per year (\$10,000 principal + \$2,500 interest @5% APR).
- Fresh Perfection is capitalizing on a unique opportunity: growing customer base from middle to upscale communities of San Juan Capistrano, Ladera Ranch, Mission Viejo, Dana Point and Laguna Niguel; competitive pricing from expertise in sourcing and inventory management; the only store that provides home delivery within 10 mile radius; and experienced management group.
- Fresh Perfection faces low to moderate risk that comes from additional overhead costs versus incremental revenues from fresh packaged salad and juice sales. Steps to mitigate this risk -includes: provision for promotion and advertising in the first year to create excitement about the new products; more efficient utilization of raw material coming from existing inventories of produce; and a step process in hiring additional labor only after demand is built.