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≡ *Your Strategic Business Partner* ≡

## **BUSINESS PLAN QUESTIONNAIRE**

Company Name: \_\_\_\_\_

Business Owner Name(s): \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_

Web Site: \_\_\_\_\_

Who is the primary audience for your business plan?

Lenders

Investors

Internal Use

### **MISSION/VISION/OBJECTIVES – Please describe:**

1. Your vision for the company (the long-term dream in a perfect world)
2. Your mission for the company (what you'll provide to whom and why)  
Be sure to demonstrate that you understand your business, have defined your unique focus and can articulate your objectives concisely.
3. The 3 or 4 major objectives for your business that this plan will help you achieve  
Make sure they are specific, measurable, realistic & time-bound. Throughout the questionnaire, be specific as to how you are going to achieve them, i.e., what steps you plan to take.
4. Why it is important to you personally to succeed
5. What you are looking to accomplish over the next 1, 3, 5, and 10 years
6. How these goals relate to the investment/loan you are seeking
7. Your intended overall approach for reaching growth and profit goals (use an optimistic but realistic view)

**COMPANY – Please describe:**

1. Where and when your company was formed and as what type of structure (sole proprietorship, partnership, LLC, S corporation, C corporation)
2. What licenses and permits do you need to operate your business and whether you have them, as well as what type of insurance your business needs/has and any potential legal liability issues
3. What business you are in
4. Where your company is located, along with the advantages/benefits of that location and any drawbacks
5. How many locations you currently have and what the space is used for -- Is the square footage and parking sufficient? At what point will you outgrow it?
6. Why you started the company/got into the business
7. The company's achievements and significant milestones to date (please provide a timeline)
8. How sales, profits, units sold, and number of employees have changed over time
9. How successful the company is and how you measure this
10. The company's current strengths and current weaknesses (and how you plan to overcome them)
11. Any other facts that might help build a case for your business and the money you are seeking

**PRODUCT/SERVICE – Please describe:**

1. What products/services you offer now, how it differs from the past and what you will offer going forward
2. What needs or problems your product/service addresses for the marketplace and how
3. The features and benefits (customer viewpoint) of your product/service
4. How your product/service is different from others on the market
5. Any legal protection you have for your product/service
6. How your product/service is competitive based on its quality, value, selection, price and/or location

7. Any technology involved in producing your product or service.
8. Your Product, in terms of what it is, what it does, its size, shape, color, cost, design, quality, capabilities, lifespan
9. Your Services, in terms of what they are, how they work, the steps in your service process

**MARKET & INDUSTRY (from suppliers of raw materials to end of distribution channel, plus similar, complementary and supplementary products/services) – Please describe:**

1. The size of your industry and market by both revenue and number of firms
2. The characteristics of this industry and market, such as growth trends, units sold and employment
3. Any other significant statistics for your industry/market
4. Factors influencing growth or decline in your industry/market (include supporting research)
5. Past and anticipated future trends in the industry/market (include supporting research)
6. Obstacles there are for others who want to enter the market/industry (barriers to entry)
7. The number of companies expected to enter your industry/market (approx.) and at what point
8. Any government regulations that affect your industry/business – Is your industry highly regulated or does it fall below government radar?

**TARGET MARKET– Please describe:**

1. The size of your target market (e.g., are there 1000 business buyers? A small handful of very large target customers?)
2. The industry, product/service, years in business, revenue, employee size, public/private status of the general market and of the specific group(s) you are targeting -- Identify the top two or three segments of the market you intend to focus on in the immediate future.
3. Where your customers are located – global, U.S., other country, state, metro area
4. Your understanding of your target market's needs and desires, and how your product/service directly meets them
5. Who your target market is in descriptive terms, what motivates them to buy, and what factors influence their buying decision
6. What your target market perceives as the shortcomings of alternate solutions to the problem your product/service solves or need it addresses

7. Why your target market will buy your specific product/service (over others)
8. Your focus, i.e., what specific product/service you sell to which specific group (i.e., target market segment)
9. Trends or purchasing shifts likely to occur within the target market

**MARKETING & SALES – Please describe:**

1. How you will communicate to your target market(s) about your product/service
2. The steps necessary to reach prospects and convert them to customers
3. The specific marketing mediums you will use to reach your customer (radio, TV, cable, newspaper, magazine, billboard/outdoor, Internet, e-mail, word of mouth, affiliates, partnerships, association involvement, packaging, brand name, reputation, etc.), along with how often each will be used and what it will cost (i.e., when, where, why, and how will you reach your target customer at what costs)
4. Why you chose these marketing avenues over others
5. Any marketing materials you have or will need, along with cost and source (brochures, Web site, etc.)
6. What you spend on marketing per prospect and per client
7. How your company will attract PR/publicity, why it will be covered (the “angle”) and which publications/media you target
8. How future changes might impact your marketing
9. How you price your product/service relative to others in the market to be profitable yet competitive
  - How does this help attract/retain your target market? (Keep in mind that a lower price will not necessarily lead to increased sales.)
10. How your products/services are delivered to the market
11. What type of payment you accept (e.g., Cash direct from customers at time of purchase/service, Via credit cards direct from customers at purchase/service delivery, In advance, with orders, Via invoice, Electronically through automatic debit transactions, Third-party payment processing, Via e-currency, Prepaid retainer plus invoicing for deliverables, COD via your own drivers/common carriers, Barter/Corporate Credits/payment in kind)
12. How this overall marketing strategy is and will continue to be effective with your target market

**COMPETITION – Please describe:**

1. Your direct and indirect competitors by type of firm, products/services offered, and market needs addressed – How many competitors are there?
2. Your major competitors in terms of annual units sold, annual sales dollars, time in business, products/services sold, niche(s) targeted, strengths and weaknesses (Be objective about their strengths and weaknesses which, for example, could be based on location, expertise, reputation, services, and/or personnel.)
3. How you compare to these major competitors and how your market niche(s) and unique strengths (i.e., competitive advantages) will lead to your success – What is your primary advantage over competitors and can you sustain it over time?
4. The share of the market you and each of your competitors commands
5. Any changes/trends that have occurred over time and impacted this picture and how you will combat changing competitive conditions in the future
6. What percentage of the market you intend to capture, from whom, and how
7. How you anticipate competitors might “fight back” as you work to increase your market share

**MANAGEMENT TEAM – Critical element many investors base their entire investment decision on the management team behind a venture. Please describe:**

1. The founder(s)' background and past achievements that will inspire others' confidence in their ability to execute the business strategy in this plan (Write in active and specific terms.)
2. The members and responsibilities of your management team (3-5 people critical to day-to-day operations with greatest impact on future success) – Include the position title, person's name, role (e.g., the duties and responsibilities of the position, what functions they will oversee, who they supervise, who they report to, etc.), and why each is on your team (e.g., previous experience, education and successes relevant to this business to inspire confidence)
3. Any ownership options you offer to attract key management and what type of non-compete agreements are in place for them
4. Any Board of Directors and/or Board of Advisors you have or intend to have – Who they are (by name), their background, the role they play and what they contribute
5. Any outside consultants who work or will work with you as your company grows (e.g., accountants, attorneys, bankers, insurance agents, and experts such as technology advisors, web developers, and payroll specialists, for example) and what their roles are
6. Your organizational structure (functional areas, reporting structure, etc.).

**OPERATIONS – Please describe:**

1. What significant equipment is needed (include manufacturing equipment, vehicles, computers, and office equipment), at what cost, whether buy/lease (why and from whom)
2. What purpose the equipment serves (what does it do?) and how much it can produce
3. Any facility and equipment changes that will be needed in the longer term
4. Your hours of operation and number of shifts
5. How many employees you have and/or will need going forward – Full-time? Part-time? How many hours at what hourly rate by functional area? How will this change over time?
6. What skill sets are needed and what criteria are used to locate and hire quality employees
7. Your practices for managing, scheduling and hiring personnel, as well as your contingency plans for meeting any production or staffing challenges that arise
8. The salaries of those in management, production, distribution, sales and administration if not noted in the hourly area above (note any changes over time)
9. The processes and work flow you use to produce, distribute and/or sell your product/service, along with the lead time for the entire process
10. Any materials needed, where they are stored and from what suppliers you get them (How many suppliers do you want/need to ensure on-demand availability? What are your criteria for them and theirs for you?)
11. Your purchasing process and any unique purchasing requirements
12. Any storage requirements for finished goods and the associated cost
13. How finished goods (or services) are distributed
14. How quality is measured, controlled, and improved and the procedures to ensure top quality
15. The specific procedures and equipment you use to keep track of inventory

**CAPITALIZATION – Please describe:**

1. How much the founder(s) invested in the business and what it was used for (The more you've invested, the easier it is to attract financing.)
2. How much equity and debt have been used to finance the business so far
3. Why you are seeking funding instead of using internal funds (accumulated, for example, by managing existing cash flow more effectively)
4. Any sources from which you expect to secure additional capital
5. How much capital you need, what you plan to spend it on (expansion, risk cushion, covering seasonality/cycles)), specific uses, and how fast you will use it
6. Any investment structures you are considering – Will you offer an ownership percentage and, if so, is it reasonable given your investment needs? What is the estimated return to an investor and is this in line with the standard for your industry?
7. How the results would change if different contingencies were to occur, including what they would be in the 'worst-case scenario'
8. The risks inherent in your venture and what you would do to lessen the consequences – What could go wrong? What could cause you to fail or keep you from achieving your forecasted results? What is the degree of risk for lenders and investors?
9. How you will ensure investors/lenders still get the payback they were anticipating
10. What percent profit margins are realistic for your company
11. When your company's cash flow will turn positive, if not already

**EXIT STRATEGY – Please describe:**

1. Why you got into this business
2. Whether you see yourself running your company 20 years from now or are interested in moving on after a few years
3. Whether you are in it to make serious money or are more interested in running a solid and steadily growing family business
4. What exit strategies you are considering (IPO, merger/acquisition, buyout by business partner/management/strategic buyers, franchising the business, handing down the business within the family) and how each will allow investors to recoup their investment and earn the return they are seeking – When can they cash out?
5. How the exit strategy is consistent with your personal goals

**FINANCIALS – Please provide:**

1. The “reasons behind the numbers” and how they were calculated (e.g., assume sell 1000 units first month at \$5 each, with 4% projected increase each month, etc.)
2. Why salaries and office expenses are reasonable for a business at the stage yours is at
3. Why your expense estimates are realistic and how you have budgeted for unexpected costs
4. How many units you need to sell at what price to cover your fixed and variable expenses (i.e., what is your break-even point?)
5. What debt the business currently has (List specific types of debt, amount borrowed, APR, monthly payment, and length of commitment.)
6. The amount of equity the owner(s) and stockholders have in the business
7. The percent of sales allocated for returns/allowances and discounts
8. Your annual interest expense
9. Your average daily inventory value and average payment terms with your inventory suppliers
10. Whether you use a fixed (always keep the same amount on hand) or variable (vary the amount on hand by sales volume) inventory method
11. The limit on your line of credit (credit line and credit cards combined) and the average interest rate on this credit
12. Your minimum checking account (cash) balance at all times (may impact future lending approval – impacts capital requirements and cash flow requirements)

**Give current balances for these asset and liability accounts (include Current Balance Sheet):**

**Assets**

Bank/Cash  
Accounts Receivable  
Inventory  
Other Current Assets  
Fixed Assets  
Other Assets

**Liabilities**

Accounts Payable  
Credit Cards  
Credit Lines  
Other Current Liabilities  
Long-Term Liabilities

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**INCLUDE:**

- **Balance sheet and Income statement for last 3 years (REQUIRED)**
- **Projected Balance sheet, Income statement and Cash flow statement monthly for next 12 months and for subsequent 2 years (REQUIRED)**



Please attach any of the following items that you would like to include in the appendix:

- Facility layout diagrams, as well as facility photos and location maps if desired
- Any third-party evaluations or analyses of your product/service
- Customer testimonials
- A product picture
- Any marketing pieces you want included
- Any highlights of market research surveys and results that you feel are relevant
- Resumes of management team
- Organizational chart