

HOW-TO GUIDE

# Writing Your Business Plan





## **Welcome to the Freight Farms' business plan template**

We are happy to provide a basic template for our future freight farmers to help get your financing in place so that you can get farming.

The business plan template has all of the key elements that financing organizations look for and this guide will walk you through each section, discuss its purpose, and tell you how to complete it. While a written business plan is not necessarily required to start a business, having a single place to capture your thoughts and plans can be useful to you, as a business owner, and allows you to more coherently present your plans to potential financiers. A written business plan also forces you to think through all aspects of your business, especially those you have not fully considered yet.

One final note, this template will ask for a lot of information about your business, the market you plan to operate in, and external factors that will impact your operations. If you don't have information for all of these, no worries! Just enter your best informed guess and move on. Plenty of people have started a successful business based on assumptions, all you need to do is explain why your assumptions make sense when your financing partner inevitably asks.



A few general tips for filling out the template:

- Text in **[ brackets ]** indicates that you need to fill in information specific for your business
- Several sections will have bulleted questions, in these instances just answer the questions in sentence form to complete the section
- If, anywhere in the template (with the exception of the Financial Projections section) you do not like the text provided here, feel free to delete it and start again!

## Now that we've covered the basics, let's get started

1. [Download](#) the business plan template.
2. [Download](#) the financial template (will be use in Section 11)
3. Follow the steps in this guide as you fill out the template.







## CONTENTS

<b>6</b>	Cover Page
<b>8</b>	Executive Summary
<b>15</b>	Company Description
<b>17</b>	Our Product
<b>19</b>	Market Breakdown
<b>24</b>	Competitive Advantage
<b>26</b>	Marketing and Sales Plan
<b>31</b>	Operations Strategy
<b>33</b>	Management Team
<b>36</b>	Use of Funds
<b>39</b>	Financial Projections
<b>43</b>	Appendix A: Monthly Expense Calculations and Assumptions

## SECTION 1

# Cover Page

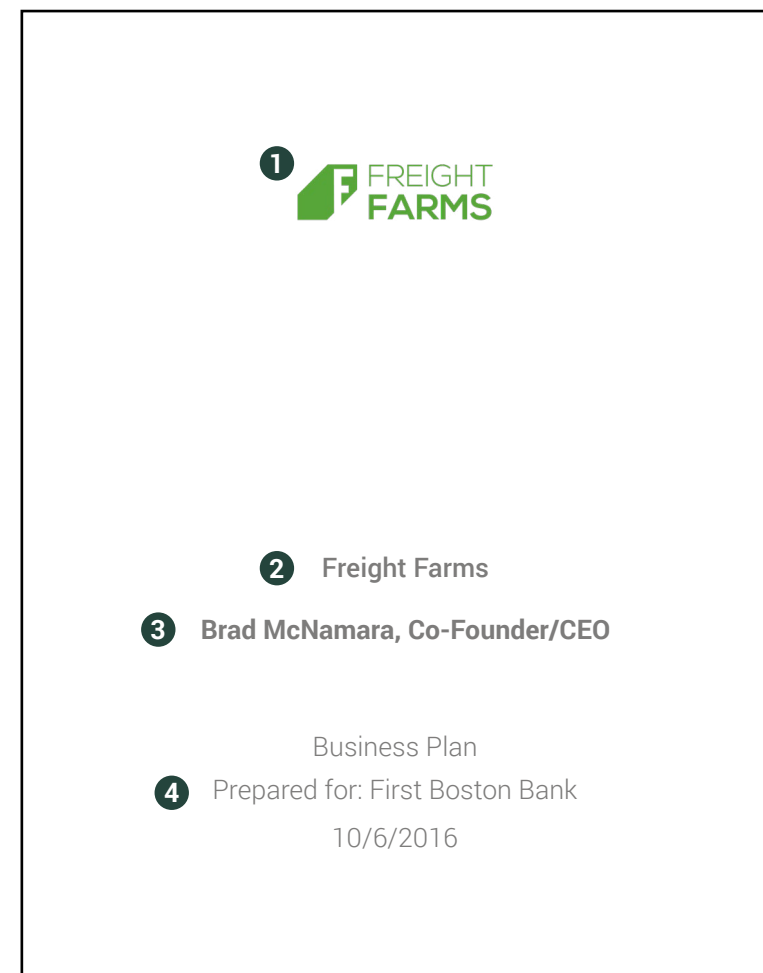
The cover page is fairly self-explanatory but is still a critical element of your business plan as it shows professionalism and sets the expectations of your financing institution.

There are several bracketed text items on this page so let's fill them in.





As an example, here is what the cover page would look like for the Freight Farms business plan:



↑ Cover page sizing 8.5" x11"

1

Company's logo (if you have one)

2

Your company name

3

**Your name and title.** This should include the names of your company's founders (you and anyone else who will own the company) and their respective titles (founder, CEO, CFO, etc.). While these titles don't have to be formal, it is important to remember that this section is designed to convey professionalism so sticking to more traditional titles may help you in your search for financing.

4

The next two bracketed text slots are to indicate who is receiving your business plan and on what date the plan was prepared. Again, this is not strictly necessary but conveys a sense of professionalism and, really, who doesn't feel better when they find out you made something especially for them.

## SECTION 2

# Executive Summary

The executive summary is one of the most important sections of your business plan as it is the only page most of your potential financiers will ever see. The executive summary should provide a condensed overview of your business plan that draws potential investors in and convinces them to read further.

While we are developing this as part of your business plan, the executive summary should be a stand-alone document, meaning you could completely take it out of the business plan and it would still make sense to your readers.





**Instructions:** Replace the bracketed text at the top with your company name and logo first. Let's begin with the bracketed text in the "Quick Facts" column.

### Quick Facts:

- 1 Company Name:  
[ Company ]
- 2 Farm Location:  
[ Address 1 ]  
[ Address 2 ]  
[ City, State, Zipcode ]
- 3 Crops Grown:  
[ Crop 1 ]  
[ Crop 2 ]
- 4 Key Customers:  
[Committed Customers ]

1

#### Company Name

For company name, be sure to use the same name you used on the cover page and title of the executive summary.

2

#### Farm Location

Farm location should be the physical address where your Greenery will be placed. If you are using land that does not have a specific address, use the closest address that you can find with a note about the location.

3

#### Crops Grown

Crops grown should list the crops you currently plan to grow in the Greenery. Note, this does not bind you to growing anything in particular, but helps the financial institutions to better visualize your business.

4

#### Crops Grown

The key customers section is a great area to differentiate yourself! If you already have customers committed to purchasing your produce list them here so that the financial institution knows you already have customers lined up. If you don't have any committed customers, don't worry, just list the industry you are planning to sell to (restaurants, wholesalers, CSAs, etc.).

**5 Founders**

[ Name 1 ]

[ Name 2 ]

**6 Insurance Provider**

[ Insurance Company ]

**7 Legal Representation**

[ Legal Firm ]

**8 Funding Request**

[ \$\$ ]

**5**

**Founders**

Be sure to include all of the names you listed on the cover page, but if you have additional team members or critical partners you should list them here as well.

**6**

**Insurance Provider**

As a small business you will need general liability insurance and, if you are planning on owning or operating a delivery vehicle, commercial auto insurance. If you are getting both policies from the same company you should only list them once but if you are getting your policies from multiple companies be sure to list them all.

**7**

**Legal Representation**

Crops grown should list the crops you currently plan to grow in the Greenery. Note, this does not bind you to growing anything in particular, but helps the financial institutions to better visualize your business.

**8**

**Funding Request**

Under funding request you should list the total amount of money you are requesting to launch your business. (This is the number we calculated on the “Start-Up Funding” tab of the financial template)



Now that we have completed the Quick Facts section, let's move on to the main text section of the executive summary. The first paragraph is your "hook" for the reader. This explains why you are starting a small farming business and why they should be excited about it.

As a starting point, we have included the following opener ↪

**[ Company ]** is a hydroponic farming company providing the highest quality local **[ crop ]** to the **[ industry ]** industry in **[ location ]** 365 days a year!

Demand for local produce is booming and **[ Company ]** is perfectly positioned to increase the availability of "hyper local" foods for our customers. By utilizing the very best hydroponic farming technology, Freight Farms' Greenery™, we will grow high value cash crops year round with consistent high quality that is not possible with outdoor farming.

You may replace the text that is in the template with something that better reflects your personality and passion. If you do replace the text, be sure to include the following elements:

- Location – in this case a general location (the city or specific market you are selling to)
- Industry – the industry you plan to sell your produce to

The next section in the executive summary is labeled “Marketing Strategy.” This section should describe how you plan to reach your customers.





As a starting point, here are example descriptions for a few industries freight farmers tend to prefer.

### RESTAURANT

[ **Company** ] will sell to high end restaurants in the <location> market who offer “local” food menu items. [ **Company** ] has already presented our product to [ **Key Customers** ] and they are enthusiastic about the opportunity for year-round fresh [ **crop** ]. We plan to acquire customers via networking at local restaurant conferences and industry meetings and by working with [ **Key Customers** ] to serve as ambassadors of our product. Once acquired, we will sell our [ **crop** ] directly to restaurants.

### RETAIL (FARMERS MARKET)

[ **Company** ] will sell our products directly to retail customers via the [ **Names** ] farmers markets. The farmers markets in [ **location** ] operate from [ **month to month** ] and draw in middle to upper-middle class customers who already demonstrate a preference for local produce. [ **Company** ] has already partnered with the [ **Names** ] farmers markets and will sell its product in [ **packaging/bundle size** ] for [ **\$\$** ] per [ **weight** ].

### RETAIL (CSA)

[ **Company** ] will sell products to retail customers via the [ **Name** ] CSA. The [ **Name** ] CSA currently operates in the [ **location** ] market and targets middle to upper-middle class customers who already demonstrate a commitment to eating local produce. [ **Company** ] has already partnered with the [ **Name** ] CSA and will gain access to [ **Number** ] customers through this channel. We will sell our [ **crop** ] in [ **packaging/bundle size** ] packages to customers for [ **\$\$** ] per [ **weight** ].

### WHOLESALE

[ **Company** ] will sell its crop to [ **Name** ], a wholesale company in the <location> market. [ **Company** ] has already contacted [ **Name** ] and they are enthusiastic about including our fresh, local [ **crop** ] into their product mix. Based on discussions with [ **Name** ], [ **Company** ] will sell its [ **crop** ] in quantities of [ **bundle size** ] for [ **\$\$** ] per [ **weight** ].

While the examples above represent the industries current freight farmers prefer, you may certainly opt to sell into a different industry. If you are selling into the restaurant, retail, or wholesale industries and do not like the descriptions provided, you may also choose to reword them.

As with the opening paragraph, simply ensure that you cover the following points:

- |  |  |
|--|--|
| — <b>The names</b><br>of any customers or key partners you<br>have already contacted | — <b>How and where you plan</b><br>to sell your produce  |
| — <b>A description</b><br>of your ideal customer                                     | — <b>Your current estimation</b><br>of your product's price (If you do not<br>have this yet then do not worry) |

**PRO TIP**

Space on an executive summary is a scarce resource, so regardless of which text you choose to use, keep it short and sweet! As a rule of thumb, when you print out the executive summary, if the opening is longer than the width of a dollar bill it is too long.

**i**

The final section of the Executive Summary is labeled “Founder Information” and is the place for you to quickly summarize your qualifications for running this farming business. Because this section is entirely unique to each Freight Farmer, we have not provided any examples for this section. Just focus on your relevant experience, passion and above all, try and get each founder description down to no more than two sentences!

## SECTION 3

# Company Description

The company description section is the longer form of the opening paragraph in the executive summary. This section tells the story of your business, describes what it is you do, and why you are the best to do it.

**By the end of this section a reader should be able to:**

Understand what you do (small business farmer)

Know who you sell your products to (your industry of choice)

Know where you plan to sell your products (your location/general market area)





**Instructions:** Go crazy, but keep it under one page! This is the section where you get to convey your passion and energy for your business to potential financiers. We have provided some basic language as a starting point for you but do not hesitate to start from scratch, as long as you include the information needed in this section (see the bullet points above).

As an example of how you can convey this information, we have included the following in the business plan template ↩

[ Company ] is a hydroponic farming company that provides fresh produce to the [ industry ] industry in [ location ]. We will grow [ crop or crops ] for [ customers ] and aim to support the growing local food movement in [ location ].

**PRO TIP**

Many readers will skim your business plan so make sure you provide the critical information first! The two sentences we provided above are a great way to start this section. They aren't flashy or fun, but they get the message across!

## SECTION 4

# Our Product

The “Our Product” section is the overview of what your company will sell to customers, in this case hydroponically grown leafy greens. This is where the product specifications that are critical components of your business plan are included. By the time your financing partner finishes this, they should clearly understand what it is you are selling and the specifics of the product. This is simply a baseline of your product, we will cover differentiating factors in other parts of the business plan!



**Instructions:** To assist you with the “Our Product” section, we have created a quick description of hydroponic produce with several blanks for you to complete based on the specific crops you are growing. We will go through the blanks in order and discuss what you should put in each one. Let’s get started with our fill-in-the-blank exercise!

1. **[ crop ]** - please list all of the crops you plan to grow in your Greenery™
2. **[ customer ]** - list a specific customer if you have one or your industry customer if not (e.g. restaurants, customers, Bob’s Burgers, etc.)
3. **[ \$\$ ]** - is your current expected price per unit of produce you sell. This could be \$2 per head of lettuce or \$1.50 per lb. of basil. You determined this number when you filled out the financial template document.
4. **[ # ]** - is the number of weeks required for your crop to reach maturity (or a level at which it can be harvested). For information on growing time, see the \_\_\_\_\_ document
5. **[ # ]** - is the estimated weekly harvest in lbs. per month. Again, see the \_\_\_\_\_ document for assistance.
6. **[ crop ]** - same as number 1, list all of the crops you plan to grow in your Greenery
7. **[ crop ]** - same as numbers 1 & 7
8. **[ \$\$ ]** - same as number 3, your current expected price per unit of produce
9. **[ \$\$ ]** - is the current wholesale price of the crops you are growing. The best place to find this information is directly from a wholesaler or google wholesale prices in your area.

↪ **A note about wholesale prices: no two wholesalers will charge the same price for a crop, you can often find a range of prices online for your specific region but likely not a single number.**

**PRO TIP**

**This section is meant to be short and sweet. We do not recommend making any changes to the wording here.**



## SECTION 5

# Market Breakdown

The market breakdown section provides your financing partner with an overview of the food market you are entering. This overview should convey an understanding of the current market size, your competition, the opportunity for hydroponics, and your position within the market.



**Instructions:** To help you with this section, we have provided high level structure questions that, when answered in sentence format, will provide the bulk of what you should present to your financial partners. Once you have answered each question in one to two sentences, delete the question from the business plan.

As an example of what the answered questions would look like for various industries and markets, we have provided a series of examples below based on the industries we discussed in the executive summary.

## RESTAURANT

**[ Company ]** will specifically target high-end restaurants in the **[ location ]** area. Our target customers are chefs and restaurant owners in the farm-to-table movement who already provide information to customers about their sourcing policies and chefs and restaurant owners in the ethnic cuisine space who require specific fresh greens for their dishes that are not available year round through traditional farming.

As of 2016, the market for food procurement in **[ location ]** was **[ \$\$ ]** with our target customers (ethnic and farm-to-table restaurants) making up **[ \$\$ ]** of the whole. (this is a traditional statistic to include, if you cannot find this information or any information about the market size, delete this sentence)

Our competitors in the restaurant industry include direct competition from other local farmers, and wholesalers who source exclusively from local farms but are constrained by seasonality, and indirect competition from larger wholesalers who bring in low cost produce from around the world and in all seasons. **[ Company ]** will compete by providing “hyper local” produce to the restaurant industry regardless of season.

#### RETAIL (FARMERS MARKET)

[ **Company** ] will sell its produce in farmers markets in the [ **location** ] area. We will target markets in middle to upper-middle class areas in order to gain access to consumers who are dedicated to eating fresh, local produce and have the disposable income to purchase our premium [ **crop** ]. Last year alone, [ **location** ] boasted [ **#** ] active farmers markets and generated approximately [ **\$\$** ] in retail sales.

Our competitors fall into two categories, direct competitors from the farmers market community and indirect competitors from outside the farmers market. To date, [ **Company** ] does not know of another hydroponic farmer participating in farmers markets in the [ **location** ] area, meaning that our primary direct competitors will be local farmers growing [ **crop** ] in the traditional way. Outside of the farmers market, our competitors are traditional food retailers who may or may not stock local [ **crop** ]. In both instances, [ **Company** ] has an advantage as we can differentiate on freshness and availability all year.



## WHOLESALE

[ **Company** ] plans to sell its [ **crop** ] into the wholesale market in [ **location** ]. We will target smaller wholesale companies who specialize in local produce as opposed to working with the larger, national companies where we will struggle to meet sufficient volumes to be a relevant partner.

The wholesale food market in [ **location** ] totaled [ **\$\$** ] in sales last year with wholesale from local providers totaling [ **\$\$** ] of the whole.

Our competitors for local wholesale are other local farmers growing [ **crop** ] (traditionally or hydroponically). During the summer months, traditional farmers will be [ **company's** ] greatest competition as the supply of local [ **crop** ] is significantly increased and the price is driven down. During the non-summer months, regional, large-scale hydroponics producers are the greatest competitors for [ **company** ]. In both instances, [ **company** ] will rely on its freshness and consistent availability to appeal to our wholesale partners.

If you read each of the sample Market Descriptions above, you likely noted several differences in wording for the advantage of product grown in the Greenery. You should feel free to pull whichever pieces of the various descriptions you want into your final market description.

The final paragraph included in the template is a discussion of other methods of urban farming that may or may not be a factor in your specific location. You don't have to keep the final paragraph, but if there are other urban farmers around, it would be best to remind your financing partner why your business idea is the best!

#### PRO TIP

There is a great movie quote that I like to use as a guide for this section. It comes from the movie "Margin Call" and the quote goes "speak as you might to a young child or a golden retriever." Don't try and over-do this section by incorporating too many details! You should go into any meeting with your financing partner with this quote firmly in mind and go ahead and assume that they are not well versed in the industry. This does not mean they are stupid, they just don't care about the industry as much as you do!





## SECTION 6

# Competitive Advantage

The competitive advantage section is the part of the business plan where you explain what advantage you have over your competitors and how that advantage will allow you to succeed now and in the future. Because you are joining the Freight Farms community, your greatest competitive advantage is the Greenery itself, and we just so happen to be experts in why the Greenery is the best farming method around!





**Instructions:** Replace Fill in the instances of [ **company** ] with your company's name and [ **crop** ] with the crops you are currently planning to grow (as indicated earlier in the business plan). That's it! Because this section is the introduction to the Greenery we have taken care of the rest.

**PRO TIP**

You have just passed the halfway mark! Sit back and take a moment to reflect on all of the work you have done so far. Your business is that much closer to getting started!



## SECTION 7

# Marketing & Sales Plan

The marketing and sales plan section describes how you will target and acquire customers (beyond any initial customers you have already secured).

This section should tell the reader, in detail, who your target customers are and how you will ensure that they hear about your product. While this may sound simple, it is the most important component of the plan! Without a strong marketing and sales plan, most financial partners will doubt your ability to successfully repay your debts.





**Instructions:** As in the market breakdown section, we have provided a series of questions that, when answered in sentence format, provide the bulk of what you should include in this section. We will step through each question, discuss what should be included in the answer, and provide examples to help get you started.

## Question 1: Who is your target customer?

This should be a restatement (but not a direct copy and paste) of the target customer you identified in the market breakdown section. Here are examples for the industries we are discussing:

### **Restaurant:**

[ Company ] will target chefs and owners of high-end farm-to-table restaurants who have already demonstrated a desire to provide customers with transparency in food sourcing.

### **Retail (CSA):**

[ Company ] will target middle to upper-middle class customers who already participate in CSA programs and demonstrate a commitment to eating local produce.

### **Retail (Farmers Markets):**

[ Company ] will target middle to upper middle class customers who already shop at farmers markets and demonstrate a commitment to eating local produce.

Wholesale: [ Company ] will target mid-sized to small wholesale companies specializing in local produce.

### **PRO TIP**

There is a lot going on in this section! Slow down, go question by question, and really take the time to work out how this will work for your business. Most small businesses struggle with this section, so if you find it hard you are not alone! The best thing you can do if you are stuck is to reach out to a potential customer and test out your ideas.



## Question 2: What customers have you already secured? (if any)

This section should indicate which customers you have already spoken to, the results of those conversations (only positive ones), and which customers are ready to purchase your produce as soon as you can get it growing. If you do not have a customer who is ready to purchase your produce, or have not had any conversations with customers up to this point, delete this question and move on to the next.

### Example text:

[ **Company** ] has discussed our hyper-local [ **crop** ] with [ **customer** ] and they are very excited about the possibility of buying year round, local [ **crop** ].

## Question 3: How will you acquire new customers?

This is the critical piece of the section, here you need to tell your financial partners how you will reach new customers and generate sales from those contacts. The answer to this question will be unique for every business and should combine multiple strategies. Some of the more common customer acquisition strategies are listed below. Feel free to mix, match, and add strategies that make the most sense for your business!



### Word of Mouth

You will rely on customers spreading the word about your product and generating sales through recommendations. This is the most effective form of marketing but also the most difficult as you have very little control or ability to influence it. While your marketing campaign should include word-of-mouth and incentives for customers to spread the news about your product, word-of-mouth alone is not sufficient for a marketing plan.



### Digital Marketing

You will utilize digital marketing tools such as search words, websites, and email blasts to attract customers and generate sales. This method is characterized by providing information online for customers to make an informed decision. Generally, this method is low cost and does not require a significant time commitment for the business owner but relies on customers who are already searching for a similar product.



### Social Media

You will launch a social media campaign to inform customers of your product and drive sales. There is significant overlap with digital marketing here, but the characteristics of a social media campaign are connections and conversations with customers as opposed to simply posting information for review. Some of the tools of a social media campaign are blogs, videos, twitter, Facebook, etc. This method can be very effective for reaching certain customer segments but can also consume a significant amount of time.



### Industry Events/Expos

You will attend and exhibit at regional industry events and expos where you will meet and network with potential customers. This method is best for businesses who plan to sell to restaurants or wholesale companies as it consolidates your target customers into a specific location.



### Start-Up Promotion /Introductory Discounts

You will offer new customers a discounted price to entice them to try your product. This can be a good way to convince new customer to try your product, however offering a price that is too low may be detrimental in the long run.



### Walk -In/ Up

You will attract customers who already shop in the area where your product will be sold (farmers markets, grocery stores, etc.) via product branding and displays. This method works best for businesses who are selling their product in existing farmers markets or selling their product directly to grocery stores where the burden to move product off the shelves falls to the business owner.

As you answer this question and identify the various marketing strategies you plan to use, be sure to add as many specifics as you can.

For example, if you are planning to rely on walk-up sales at a farmers market, discuss how you plan to design your stand to attract customers to your business.

Example text: [ **Company** ] will use a combination of digital marketing, via add words and a company website, and networking at industry events to identify and network with farm-to-table restaurateurs. We will operate a booth at local conferences to better spread the word about our hyper-local [ **crop** ], give potential customers the opportunity to try the [ **crop** ] for themselves, and direct further inquiries to our website for more information about the benefits of hydroponic produce.

## Question 4: How will you package your product?

Discuss how you plan to package your product for sale to your customer. This will depend largely on your industry and target customer. For instance, if you plan to sell your product to customers at a farmers market, you will likely choose to package your product by weight or volume and use rubber bands or plastic bags to designate a single unit. Alternatively, if you are selling to a wholesale customer, you may choose to use clamshell packages (hard plastic containers) to measure out a unit of product.

Regardless of which method you choose, indicate here how you will measure a unit of your product and how you will physically package the product.

Example text: [ **Company** ] will package its [ **crop** ] in [ **#oz or #lb** ] quantities in rectangular clamshell packages and deliver them to our wholesale partner in cases of [ **#** ] packets.



## SECTION 8

# Operations Strategy

By the time your financial partner finishes this section, they should understand the nuts and bolts of your business. This section should detail your plan for operating your business and include the following elements:

**Farm location** - address

**Plan for operating the farm** - who will do the actual farming (if you plan to hire an employee, this is where to mention it)

**Distribution method** - how you plan to deliver your products to customers

**Safety/Compliance plan**



**Instructions:** First, relax... this section is much easier to complete than the marketing section! As in the previous sections, the template has a list of questions for you to answer in sentence form that will give you all of the information you need to complete this section.

We have also provided a sample paragraph below as an example ↪

Our Greenery will be located at [ **site address** ]. It is projected to be delivered on <date> and will be connected to electricity and water on [ **date** ]. The first seeding is planned for [ **date** ]. The Greenery will be operated by <team membe ] (for an hourly wage of [ **\$** ]). From this site, we will utilize [ **distribution method** ] to deliver [ **crops** ] to our customers. To ensure our <crop> is consistently safe for consumers, we will conduct [ **#** ] product safety tests per month.

**PRO TIP**

Keep this section short and sweet! The operations of an Greenery business are not highly complex, so don't try and make them sound that way to impress your banker!



## SECTION 9

# Management Team

This is the section of the business plan that sells YOU to your financing partner. By the time your financing partner finishes this section they should understand why you are starting this business and why you believe, and they should too, that you are the best person for the job.

Though optional, this section should also introduce the key business partners (outside services who will be critical to your business but are not part of the business team) you have recruited to join you in your business.





**Instructions:** This section is broken in two, the management team and your key partners. We will break down the information you need in each section and talk about the benefits of including your key partners in your business plan.



**Management Team:** This is a fairly self-explanatory section. List the names, titles, and relevant experiences for all of the members of your management team (aka, the team starting the business). Relevant experience here means any experience that will help you manage and grow your new business. (This could be leadership experience in a previous job, prior experience in farming, a background in sales, etc., as long as it contributes to your financial partner's belief in you)

The dollar bill rule applies here too (see the executive summary instructions for a refresher), don't let your list of accomplishments get so long that your financier stops reading!

If you are actively looking for additional members for the management team, include them here but, rather than relevant experience, list out the roles, responsibilities, and qualifications you are looking for.



**Key Partners:** This should be a relatively short section listing the key service providers that are critical for your business but who are not members of your management team. The bulleted list in the template represents several common partners/services that current freight farmers rely on to help manage their businesses. For instance:

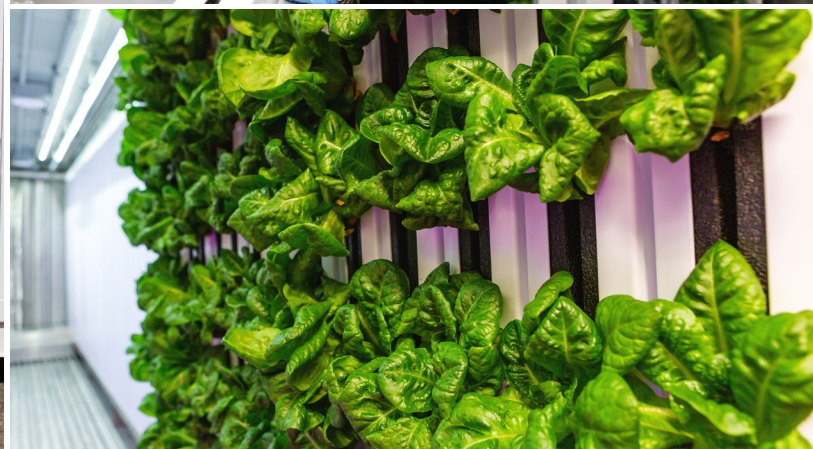
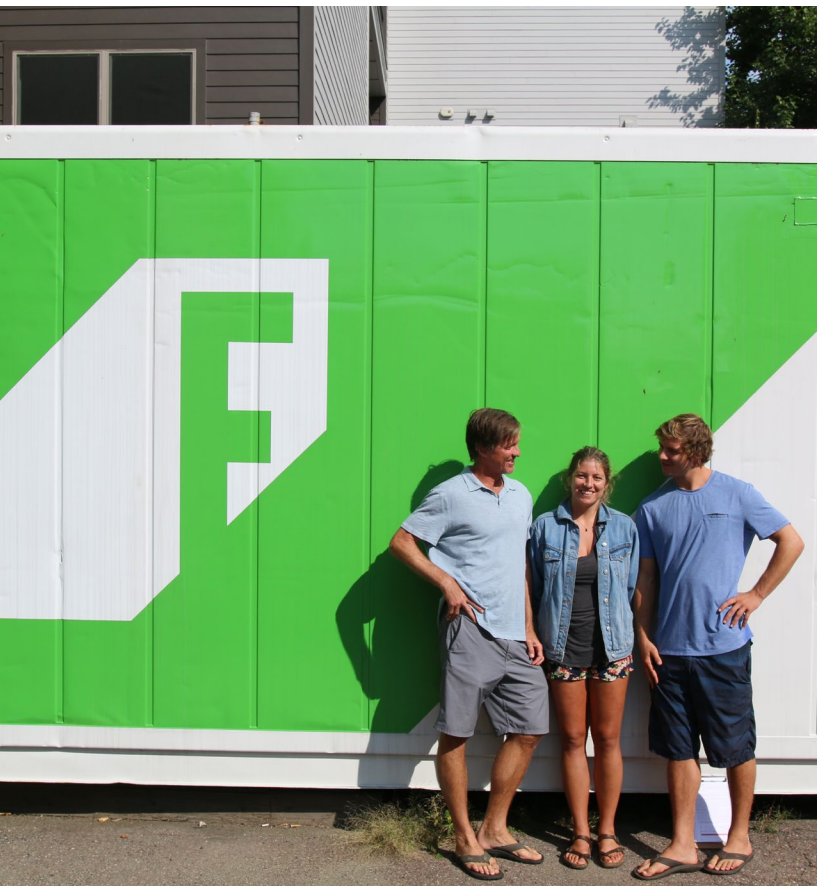
- **Accounting/Tax:** the name and firm of your accounting or tax advisors
- **Legal:** the name and firm of your corporate lawyer (yes, you DO need one)
- **Insurance:** the firm and agent name of your corporate insurance provider
- As a small business you MUST have liability insurance and, if you are planning to operate a delivery vehicle, you need corporate auto insurance as well.
- **Digital:** the name and company (if applicable) of your digital media designer



Some of the services/partners above may not apply to your business (if, for example, you plan to manage your own accounting or are an accomplished webmaster) or you may have other key partners that are not on the list. The two services should absolutely keep are legal and insurance, otherwise, add or remove whichever services make sense for you!

### PRO TIP

Most finance experts will tell you that a bank, venture capitalist, or other financing partner will invest in the business person, not the business itself, and they are absolutely right! If you can't convince your partner that YOU are the best possible person for this business you will have a hard time convincing them to open up their wallet!



## SECTION 10

# Use of Funds

This section details how you are planning to use the money you are requesting from your financing partner. This should detail the full startup financing requirements for your business and the amount you and your partners are planning to invest in the business.





**Instructions:** This should be relatively easy! (it's about time!) As with the "Our Product" section, we have provided the basic text with **[ brackets ]** for you to fill in with your business's details. All of the **[ \$\$ ]** information comes straight from the "Start-Up Financing" tab of the financial template.

Let's get started! (beginning with the first paragraph) ↩

1. **[ Company ]** is your company's name
2. **[ \$\$ ]** is the amount of funding you are requesting from your partner
  - a. This is on the "Start-Up Financing" tab in the "Loan Amount" cell
3. **[ purchase/rental ]** indicates whether you plan to purchase or rent a delivery vehicle (if you plan on using a delivery vehicle) – choose the word that applies
  - a. If you do not plan to use a vehicle and are opting for a third party service, replace purchase/rental with contract or hire
4. **[ distribution method ]** states how you will distribute your product to customers (van, truck, third party, etc.)
5. **[ founders ]** lists the members of the founding team who are contributing money to launch the business
6. **[ \$\$ ]** lists the total amount of money invested by the founding team of the company
  - a. This is on the "Start-Up Financing" tab in the "Founder Capital" cell
7. **[ company ]** if your company name (again)
8. **[ \$\$ ]** is the total amount required to launch the business
  - a. This is on the "Start-Up Financing" tab in the "Total Start-Up Funding" cell

All of the data for the list of itemized funding needs can be found in the “Start-Up Funding” tab and should be taken from the “Expense Calculation” column.

We will go through how to complete this list below (remember, we are using the numbers in the “Expense Calculation” column, not the “Cost” column) ↪

- **Greenery Purchase:** Number from the “Greenery Cost” cell
- **Greenery Transportation:** Number from the “Greenery Delivery” cell
- **Greenery Installation:** Sum of the three numbers below
  - **Leveling:** Number from the “Farm Leveling” cell
  - **Electric:** Number from the “Electric Hookup” cell
  - **Plumbing:** Number from the “Water Hookup” cell
- **Farm Camp:** Sum of the three numbers below
  - Cost of training: Number from the “Farm Camp” cell
  - Cost of flight to Boston: Number from the “Transportation to Boston” cell
  - Cost of hotel in Boston: Number from the “Hotel in Boston” cell
- **Site Visit:** Number from the “Site Launch Visit” cell
- **Delivery Truck Purchase:** Number from the “Delivery Truck/Van” cell
- **Business Materials Purchase:** Sum of the numbers from the “Printer/Scanner”, “Computer”, “Furniture”, “Website Design/Build”, “Logo Design”, “Business Cards”, and “Lease Deposit” cells

#### PRO TIP

Make sure your business plan matches your financial template! If you eliminated an item (i.e. entered \$0 for something) be sure it is not reflected here. Your financing partners will see your detailed financial assumptions in the next section and the appendix. Even though this section seems simple, if you fly through it too quickly it is easy to make a mistake.

## SECTION 11

# Financial Projections

This is the section your financial partner cares about the most, your business' financial forecast. Every banker understands that these statements are based on assumptions, however, by the time they finish this section, your financing partner should be comfortable with your ability to repay the amount you are requesting.





**Instructions:** The majority of this section is already completed and now all we need to do is copy and paste!  
(NOTE: If you have not completed the financial template, stop and do so now) Please do not make any edits to the wording of this section as the assumptions listed here are critical for your business plan to make sense to your financing partners.

First thing first, go ahead and enter your company's name in the [ **Company's** ] blank.



**Congratulations! You have filled in the only blank in this section!**

**PRO TIP**

Your job as an entrepreneur is to reduce your financing partner's perception of risk as much as possible! In this section, that means spending time on your numbers and making sure that they are an accurate reflection of your business. We know that the Greenery is a great business worth investing in and now they should too!

Now we move on to the financial statements. Open the financial template that you completed prior to starting this business plan. In the financial template we entered information in the Monthly Revenue, Monthly Expenses, and Start-Up Financing tabs. That information then automatically calculated and populated the three financial statements we will include in this section, the Income Statement, Balance Sheet and Cash Flow Statements (monthly and annual).



All of the financial statements are pre-formatted and ready for you to copy into the business plan. We will step through the copy and paste process to ensure that your statements go in looking just as professional as the rest of this plan!

**Start with the income statement.**

In the financial template, drag and select all of the relevant cells (the ones with text in them) and hit copy (Ctrl+c or Command+c on a Mac). Now, highlight the text in the business plan template that says [ **Insert Income Statement Here** ] and right click. In the “Paste Options” menu, select the “Picture” icon. You should now see your Income Statement in your business plan and it should look the same as it did in your Excel document and fit on the page. If you are having trouble or would like to format the table once it is in your business plan, right click and select the “Match Destination Formatting” icon in the “Paste Options” menu. Repeat the steps above for the Balance Sheet and Cash Flow Statement tabs.

For the Monthly Cash Flow Year 1 tab, scroll to [ **Insert Monthly Cash Flow Statement Here** ] and then follow the steps above. This page is specially formatted to be a landscape view to ensure that all twelve months of cash flows are easy to read.



**That's it! You are finished with the main portion of your business plan! On to the appendices!**



## SECTION 12

# Appendix A

### Monthly Expense Calculations and Assumptions

Just as in the Financial Statements section, the first appendix is designed to help your financing partner understand that you will be able to repay the amount you borrow. As we mentioned above, making your business seem less risky is your primary task as a new business owner. Providing your monthly cost breakdown provides transparency and gives your financial partner greater confidence in your financial estimates.



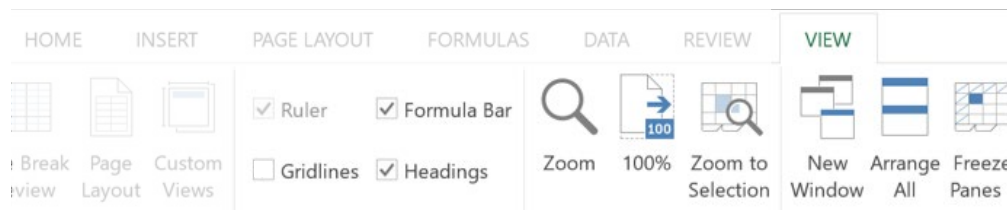
**Instructions:** Most of the work for this section is complete as well! We will do the same copy + paste exercise here that we did in the financial statements section with one formatting step to complete first.

In your financial template, go to the Monthly Expenses tab.

At the top of your screen you should see the “Home”, “Insert”, “Page Layout”, “Formulas”, “Data”, “Review”, and “View” menus.



Select the “View” menu and in the “Show” section uncheck the box labeled “Gridlines”.




**Note:** these instructions are for Excel 2013. If you are using a different version of the program and are having difficulty removing the gridlines, go to Google and search “How to remove gridlines in Excel \_\_\_\_” and you should get several articles explaining the process.

Now that your table is formatted, we will follow the same copy + paste process as before.

In the financial template, drag and select all of the relevant cells (the ones with text in them) and hit copy (Ctrl+c or Command+c on a Mac). Now, highlight the text in the business plan template that says <Insert Monthly Expenses Table Here> and right click. In the “Paste Options” menu, select the “Picture” icon. If you are having trouble or would like to format the table once it is in your business plan, right click and select the “Match Destination Formatting” icon in the “Paste Options” menu.





**That is it! You are now officially finished with the business plan template! The remaining appendices are populated for you and do not require any edits (unless you want to of course).**

**Do a little dance! Get down to the bank because you are finished! Congratulations! This is a long and hard process and you did it!**

