



**Maine SBDC at Northern Maine Development Commission
11 West Presque Isle Rd., PO Box 779
Caribou, ME 04736
207-493-5754**

BUSINESS PLAN

Date:		
Name:		
Mailing Address:		
Town:	State:	Zip Code:
Email Address:		
Telephone Number:		
Proposed Business Name:		

Small businesses succeed due to a combination of market opportunity, management ability and sufficient start-up capital and cash flow. The following questions are designed to assist you in considering a number of these fundamental and important aspects related to your business idea. Think of your answers to these questions as the beginning of a comprehensive business plan.

*****Once received by NMDC, all of your answers will remain confidential.*****

Please describe the assistance you are seeking from the NMDC and the Maine Small Business Development Center and be as specific as possible:

Every good business starts with a well-defined idea. In a paragraph or two, write down your business plan and why this idea will be successful.

It takes time to plan and start a new business or implement a new plan. What is your time line for getting your business started or, if you're an existing business, implementing your new plan?

Within your first 12 months after starting your business or implementing your new business plan, what specific goals do you want to accomplish? (Remember: Goals can be measured, so please let your answers reflect how you will measure your success. For instance: I want to reach \$50,000.00 in sales by the end of my first year. Or, I want to create 2 full-time and 1 part-time job within the next 6 months.)

What type of legal entity will/does your business operate as? Example.- Sole proprietor, Partnership, LLC, C-Corp, or S-Corp, and why have you chosen this legal structure?

Specifically, what goods or services will or do you sell or provide?

Please explain how you have and will set prices for your goods or services?

Now, describe the group of people (market segment) to whom you will sell. What do they have in common (For instance: age, gender, education, location, number of children, etc.)? What will be your market area (For instance: Island Falls to Madawaska)? How many people live and work in this area?

How do you plan to advertise and promote your business to current/future clients? What will the costs be associated with this?

Why will these people buy from you and not from your competitors?

Where is your operation located? Why is this a good spot?

Please list your 3 closest competitors and write at least two strengths (S) and two weaknesses (W) for each competitor.

#1 Competitor –

- (S) -
- (S) -
- (W) -
- (W) -

#2 Competitor –

- (S) –
- (S) –
- (W) –
- (W) -

#3 Competitor –

- (S) -
- (S) –
- (W) –
- (W) -

How many employees do you currently have? If a start-up or expansion, how many jobs will be created? Please list the job function and proposed wages for all current and newly created employee positions.

It can be both very exciting and very lonely to start a small business, when you do all the planning, make all the decisions, and perform most of the jobs. Who do you plan to turn to for support and advice to help you through the inevitable challenges you will face? Please lists by name accountants, lawyers, family, business advisors, etc..

What about “The Money”? (THIS PAGE, START UP BUSINESSES ONLY)

Every small business requires cash to get started and to operate. Very often potential owners underestimate the costs of starting up and operating their businesses. This can lead to serious problems. For this reason we ask that you fill out the following ESTIMATION FORM as best you can.

What will it cost you to buy everything you need to start your business?

I. ESTIMATED START-UP COSTS	AMOUNT	DESCRIPTION
Advertising	\$	Initial Marketing & Promotional materials
Beginning Inventory	\$	Amount required to open for business
Building Construction	\$	Contractors’ estimates
Building Improvements	\$	Contractors’ estimates
Cash (working capital)	\$	Cash in the bank on opening day
Computer	\$	Hardware, peripherals and software
Decorating	\$	Contractors estimates
Deposits	\$	Utilities, including phone, fuel, heat
Fixtures and Equipment	\$	Estimated/researched costs
Insurance	\$	Agency quotes
Lease payments	\$	Equipment rental estimates
Licenses and permits	\$	State and Federal
Professional fees	\$	Accountants, lawyers fees
Rent	\$	Down payment, security deposits
Services	\$	Contractors’ estimates
Signage	\$	Inside and outside business
Supplies	\$	Office, operating, cleaning, etc
Other	\$	Other unique to your business
Other	\$	Other unique to your business
Other	\$	Other unique to your business
Miscellaneous	\$	Add 10% to Total of above costs
TOTAL NEEDED	\$	Add all costs together

In order to borrow money you may need to apply for a small business loan. Lenders consider start-up businesses risky. They have no sales history. And the owners and managers have no track record to evaluate. To determine if you can borrow money, a lender will want to know several things about you. Your ability to get funded on a small business loan is based on the 6 C's of Credit which are further described below.

6 - C's of Credit

- 1) **Credit** - *Historically, the way you handle your personal credit is a good indication of how you handle your business credit, especially if you own a small business. Personal Credit History will be assessed to determine ability and willingness to repay the loan.*
- 2) **Character** - *This is a highly subjective evaluation of the business owner's personal history. Lenders must believe that a business owner is a reliable individual who can be depended on to repay the loan. Background characteristics such as personal credit history, education, and work experience are all factors in this business credit analysis.*
- 3) **Capital** - *A company's owner must have his/her own funds invested in the company before a financial institution will be willing to risk their investment. Capital is the owner's personal investment in his/her business.*
- 4) **Capacity** - *The lender will want to know exactly how you intend to repay the loan. The lender will consider the cash flow from the business, the timing of the repayment, and the probability of successful repayment of the loan.*
- 5) **Conditions** - *This is an overall evaluation of the general economic climate and the purpose of the loan.*
- 6) **Collateral** - *Collateral or guarantees are additional forms of security you can provide the lender. If the business cannot repay its loan, the bank wants to know there is a second source of repayment. Assets such as equipment, buildings, real estate are considered possible sources of repayment if they are sold by the bank for cash. Both business and personal assets can be sources of collateral for a loan. A guarantee, on the other hand, is just that - someone else signs a guarantee document promising to repay the loan if you can't. Some lenders may require such a guarantee in addition to collateral as security for a loan.*

After reading the 6's C's of Credit, please continue answering the questions on page 7.

Of the total amount of capital (cash) required to start your business how much will you contribute and where will this come from? How much will you request the lending institution to contribute? What exactly will you use these funds for?

Do you have collateral to offer the bank? Please list your collateral as well as market value of collateral (Example: House, land, vehicle, tractor, etc..)?

How would you assess your credit history (excellent, good, fair or poor)? When was the last time you had your credit pulled and what was your score?

If you are looking to purchase or are an existing business, please give a detailed history of the business and its evolution throughout the years (When business was originally opened, prior owners, interesting facts, etc...).

Describe the benefits of the loan and the economic development significance if the loan is made.
Example – Increased tax revenue, new or retained jobs, etc.

What relevant work experiences have you had in the past that relate to this new business venture or project?

Please list any formal education received and highest level of education attained, as well as any technical experience and relevant business background for members of management.

Since small business success requires the owner to perform a number of tasks, each requiring specific skills, we have included a MANAGEMENT SKILLS ASSESSMENT WORKSHEET. Consider your work history, education and life experiences as you answer these questions on the following page.

Management Skills Assessment Worksheet

BUSINESS MANAGEMENT SKILLS	Please rank yourself on this scale of 1 to 5 by underlining or bolding the number 5 = STRONG EXPERIENCE OR KNOWLEDGE 1 = NO EXPERIENCE OR KNOWLEDGE				
	Bookkeeping & Accounting	5	4	3	2
Planning	5	4	3	2	1
Organizing	5	4	3	2	1
Financial Management	5	4	3	2	1
People Management	5	4	3	2	1
Time Management	5	4	3	2	1
Personal Selling	5	4	3	2	1
Marketing	5	4	3	2	1
Decision Making	5	4	3	2	1
Personnel Policies	5	4	3	2	1
Pricing of Products/ Services	5	4	3	2	1
Computers	5	4	3	2	1

CONGRATULATIONS! You have completed an important first step toward starting your small business – you have evaluated a number of critical issues that can lead to small business success. Please return to Josh Nadeau, Small Business Development Center Director at NMDC.

Prepared by the staff of Northern Maine Development Commission Business Finance Department with information provided by the borrower..