

**COMMUNITY FUTURES DEVELOPMENT  
CORPORATION OF GREATER TRAIL**

**Business Plan Outline  
Your Guide to Success!**



**Helping to make Small  
Business a Reality**

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# PREPARING YOUR BUSINESS PLAN

Your Business Plan is your road map to the future. The success of your new business will be in direct proportion to the effort you put into researching and preparing your business plan. Business Plans ensure your success and financial institutions require them for financing purposes.

While it will appear that the plan is repetitious in some areas presenting the material in context to each heading is important. Sometimes the reader of your business plan will go directly to the headings that are of the most interest, rather than reading the entire report.

The Business plan should also include all relevant supporting data for areas such as appraisals, environmental studies, suppliers price lists, competitors' price lists, photographs of your product, product tests etc.

## COVER PAGE - BUSINESS PROFILE

- Your name, address and phone number.
- Start up date of the business.
- Business structure (Limited Company, Partnership or Proprietorship).
- Company name.
- One or two paragraphs outlining your proposed business venture.

## TABLE OF CONTENTS

- Using a Table of Contents assign page numbers to your business plan and then list the headings of your report along with the page number in which they appear.

## BUSINESS OVERVIEW

### **Vision and Mission Statement**

- It is important to have a long-term vision of what you want your business to become. Mission statements state the short term primary goal of management. The life span of a mission statement is usually 1 to 3 years. The mission statement should be as short and concise as possible.

### **Business History (for existing businesses)**

- If you have an existing business, briefly describe when and by whom the business was started and any major changes that have occurred in the business. If this is a new business highlight some of the reasons you would like to start this specific business.

### **Business Goals -Key Initiatives, Objectives and Implementation Plan**

- Short and long term objectives should be stated along with who is responsible for implementation and the time frame.

### **Location and Facilities**

- Include the address a description of the site, the size of the facility, equipment and lease arrangements. Discuss the strengths and or weaknesses of the location and facility under the next heading.

## **Major Strengths and Weaknesses**

- List some major strengths you or your business will have.
- List the major weaknesses and describe how you will strive to overcome these.
- What about the internet? Would a business web site be a strength of your business or help overcome a weakness?

## **PRODUCTS AND SERVICES**

### **Description of Product or Service**

- Describe exactly what it is that you will be providing as a product or service.
- What size will your business be?
- What are the key features and benefits?
- Why will customers buy your product and/or services instead of a competitors.

### **Uniqueness of Product or Service**

- Describe how your product or service will differentiate from the competition.
- Or if it is a totally new product or service to the area provide a further explanation.
- It is very important that your product or service be unique in some way.

### **Future Products and Services**

- Do you have any plans to update existing products and /or services in the next three to five years? If yes provide a brief description.

### **Suppliers**

- List all major and minor suppliers.
- Match the suppliers to the products or services you will be receiving from them.
- What will payment terms be?
- Can orders be made from your suppliers on-line?

### **Production Plan (if applicable)**

- Applies only to manufacturing operations.
- Describe the manufacturing process.
- What is the production cost per item?
- What is the size and cost of the physical plant?
- What are the land requirements and costs?
- The business will require what machinery and equipment and what are the costs?
- How much raw material will be stored on the site?
- How much completed inventory will be stored on the site?
- 

### **Competitive Production Advantage**

- Do you have specialised skills, technology, access to cheaper materials or lower overhead costs?
- 

### **Franchise Information (if applicable)**

- If your proposed business is to be a franchise include a copy of the franchise agreement with the business plan.
- Also include the Franchisee's initial and ongoing costs and list the benefits provided by the Franchiser.

## PRICING

### Pricing Strategy (Image and price consideration)

- How will the price of your products compare to competitors? Will you be looking to maintain margins or looking to sell high volume? Do you want to be perceived as a discounter or a high-end business emphasising quality and service?

### Pricing and Margins (include a price list)

- To establish a price for your proposed product or service the following items have to be established;
  - a) Is there any competition, if so what is the competition doing?
  - b) What is the market supply and demand?
  - c) What image will your product or service project?
  - d) What is your cost of goods sold?
  - e) What is your overhead cost (day to day costs)?
  - f) What is the minimum you will work for? Assign this wage to the applicable area, either cost of goods sold or overhead or both.
  - g) How much profit will you want? Your Business requires profits for;
    - 1) Building your cash reserves for increased working capital.
    - 2) Building your cash reserves for periods of slow sales.
    - 3) Providing cash for business expansion.
    - 4) Giving you an income over and above the minimum established in **item f**.
- To find out the end price of your product you must figure out what the competition charges for a similar product and, if there isn't any competition, what the market will bear.
- Then you must establish if you can sell the product for this price while covering your costs and overhead and generate a reasonable profit.
- To establish your costs and overhead you need to determine the cost of goods sold plus establish what cost to assign to your own labour. This should be the minimum amount you will accept.
- The profit should include an additional amount for yourself plus an amount for the expansion of your business and additional money required for working capital.

Example:

Cost of the item sold .....	\$20.00
Overhead costs assigned to this item .....	5.50
Your labour costs per item .....	1.50
Profit per item.....	6.00
includes \$2.00 per item extra for you	
\$4.00 per item for your company	
Total sale price.....	<u>\$33.00</u>

- If the \$33.00 sale price is competitive, the \$6.00 profit is adequate and you are providing extra value over the competition in areas such as better service etc . . . a reasonable market share is obtainable.

## INDUSTRY OVERVIEW

### Description of the Industry

- Places the proposed business in context.
- Who is the competition?
- Is the strongest competition local or from outside the area?
- Are the strongest competitors large corporations or independent small businesses?
- What is the overall size of the industry?
- Is the industry in a growth stage or is it a mature industry?
- How will new technology affect the industry?
- How will national or local trends, such as changing demographics affect the business?

### Competition

- Provide names, addresses and a description of the operation for all direct and indirect competitors.
- Provide size and /or present market share if possible.
- What are your competitors' strengths and weaknesses?
- What areas do they specialise in?
- How will your competitors react when you start - will they cut prices?

## MARKETING AND DISTRIBUTION

### Target Market and Analysis of Market, Marketing Survey

- Who, what, when, where, why, how, how much.
- Who will purchase the product or service? Are they on-line?
- How do they presently purchase? Would they purchase over the internet?
- What is the size of the present market (how much)?
- What is the potential size of the market (how much)?
- From where do they presently purchase?
- Why is there a demand or potential demand for your product or service?
- Where do they live, what are their spending patterns, is the number of customers growing or shrinking, are they spending more or less per capita? These questions will vary depending on the type of business.
- In order to answer these questions a **Marketing Survey (Example 1)** is necessary.
- A marketing survey contacts current and/or potential customers. Other market research would include reviewing research reports and statistics prepared by others, magazine and newspaper articles and conversation with experts in the industry.
- There are many good books on marketing and marketing surveys in the Regional Business Library at the Business Centre. A good book on Marketing Surveys that you may wish to refer to is *Look Before You Leap: Market Research Made Easy* published by the Self Counsel Press.

### Signed Letters of Intent, Purchase Orders or Contracts (Example 2)

- These documents can be signed and are non-binding letters that prospective customer(s) will show varying degrees of enthusiasm for your product or service.
- They also can be signed orders for the purchase of goods or services for delivery on a future date.
- Included is an example of a letter of intent that you can draw up for your prospective customer to sign.

## **A 1990's MARKETING CONSIDERATION**

### **How about Doing Business On-Line?**

Do you think setting up a web site on the internet will help your new business?

The advantages of having a web site for your business include:

- Greater access/exposure to more customers (world wide potential).
  - Leveraging traditional advertising: for example, including your email and web site address on brochures and business cards
  - Advertising products, services, special promotions, sales, etc on-line.
  - Lower lead costs: cost of new customers is lower than traditional media
  - Lower staffing costs: products and services can be available 24x7 without a retail location
- Plan your web site to fit your target market. Ask yourself, what is my on-line objective? What is the purpose of my web site? How will it meet my customers expectations?

### **What Can my Web-Site do? It can:**

- Give product or service information. For example, an on-line brochure or newsletter. create a periodic newsletter for your customers and email it to them.
- Offer customer support
- Feature an up-to-date catalog including thousands of products, prices, descriptions and photos at a cost far below that of printing and distributing printed copies. Note that the larger your site, the more it'll cost.
- Allow for direct sales and direct advertising (emailing information about new products and services to your on-line customers is fast, effective and cheap).
- Whatever the purpose, once you get people visiting your web site, try to get their name, address, phone number, etc. so that you can take advantage of a steady source of potential customers

### **How much will it Cost?**

- You can get a first class web site developed by an independent web site designer for about \$1000. Or, you can build your own with CFDC assistance (consultations and web based workshops). Be sure to ask a designer if there are any hardware/server considerations that might up your costs.
- Visit other web sites to see what features they have that you might want on your own site. Then you can either build these features into your site yourself or ask your web site designer to do it. Regardless, your site should be easy to read and fast to load.
- One of the best ways to check that you have an effective site is to ask a real internet novice to log onto your web site with you looking over their shoulder and taking careful notes. Whatever you think about your business web-site, keep in mind that its how your site meets your customers needs and expectations that really matters. Once you've established that your customers are on the net, an attractive, well laid out web site, focused on meeting your customer's requirements, will keep them coming back and build your businesses bottom line.

### **Where can I Find out More?**

- See attached appendix of web site addresses
- There are many sources of Web business information on-line. Some good sites are:
  - [www.communityfutures.com](http://www.communityfutures.com) (the links page);
  - <http://strategis.ic.gc.ca>
- Do a web search and you'll find thousands of business sites. The Government of Canada Guide to Services and Support for Small Business also has a great list of links and information.

# MARKETING AND ADVERTISING

## Key items to consider

- 1) When we buy a product we want to know what is in it for us.
  - 2) There are only two reasons why we buy. The service or product needs to;
    - a) Help solve a problem or,
    - b) Make us feel good.
  - 3) When you sell on price you die on price. Sell based on a better product, better service, a better warranty etc.
  - 4) Ask yourself ?Why should a customer purchase from me for the rest of their life?
  - 5) We are exposed to approximately 800 advertisements per day.
  - 6) The majority of these advertisements do not sell the benefit(s) of a business' product(s) or service(s).
- What is your plan to market your product?
  - Would having a web site for your business help your advertising? Sales?
  - How will you get your product (distribute) to the customer?
  - Provide details on how your advertising dollars will be spent.
  - Remember to be consistent with all advertising. Use a common logo, similar print style and identical colours on all advertising whether it is business cards, stationery, flyers, newspaper ads, car door signs, exterior signs etc. Customers will recognise your company even if they only briefly glance at the particular advertisement.
  - Always remember to state the benefit(s) gained by your customer in the advertisement.

## Sales Strategy

- While typical business planning includes considerable market research and allocation of resources to advertising it is assumed that if everything is planned sales will just happen. This does not usually happen and in many cases is the downfall of the business.
- Who will be responsible for the day to day job of selling the business and its products and/or services? If it is management, do you have the necessary experience? If not, how will you get the necessary training?
- If sales will be handled by staff what is the hiring plan?
- The best case scenario is for management to be involved in sales. Customers like dealing with small business because they have access to management.

## Purchase Process and Buying Criteria

- From the marketing survey, information regarding the importance in the buying decision of items such as price, quality and service support will be tabulated. Briefly discuss how the purchase process and buying criteria may vary by each of the market segments or product segments.

## Analysis of Competitive Position

- In what ways will you have an advantage over your competitors and in what ways will you be at a competitive disadvantage? In which market segments and product segments will you have the greatest competitive advantage?

## Distribution Strategy

- How will you distribute your products and/or services to your target markets? Where will your customers be able to buy your product and/or service, and how will you provide customer service and after sales support.

## What Advantage Do You Offer?

“Think like a customer” when you look at your product/service. What do they see?

What is your primary product/service?

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What are your other products/services?

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What makes your product/services/unique?

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Who is your customer?

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Why do they need your product/services?

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What needs are you satisfying?

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## Competitive Analysis

Look at similar or competitive products/services to yours. Look at the following categories and rate your product/service. This is also a good time to talk to the sales people.

	Competitor	My Product/Service
Price		
Quality		
Product/Service Selection		
Customer Attention		
Reliability		
Location/Accessibility		
Business Image		
Advertising/Catalogue		
Product Packaging		
Delivery Time		
Point of Sale Display		
Distribution		
Other (you add)		

# Advertising in The Kootenays

## Local Advertising Methods

- Word of Mouth
- Print
- Stationary (letterhead, business cards)
- Cards (thank you, special occasion)
- Brochures
- Flyers (Inserts or you deliver)
- Posters
- Signage
- Newsletters
- Web pages

## Direct Mail

- Mailing lists
- Email (direct mail)

## Public Speaking/Face to Face

- Speeches (at service groups)
- Focus groups
- Teach a course
- Chamber of Commerce

## Print Media Opportunities

- Write an info article for the newspapers
- Press releases
- Write for a magazine
- Write/advertise with the local Chamber of Commerce

## Other Opportunities

- Trade Shows
- Conferences
- Any NETWORKING opportunity
- Fairs
- Catalogues
- Sponsor a team
- Sponsor a community event
- Free Samples

## Print Media

- Trail Daily Times 364-1416
- The Source
- Pennywise 1-800-663-4619
- Weekender
- The Tab
- Kootenay Express 354-3917
- Coffeemate
- Better Book 1-800-663-8555
- BC Yellow Pages 268-9000
- Dominion List Services 1-800-268-6680

## Community Locations

- Bulletin Boards
- Billboards
- Telephone poles

## Radio

- KBS 368-5510
- BKR 365-7600

## TV

- BCTV 352-6068
- Shaw Cable 365-7290

## Other Locations

- Bus benches
- Sides of buses, cars, trucks
- Baseball caps
- T-shirts

## MANAGEMENT AND STAFFING

### Ownership and Organisational Structure

Who are the owners, are they active in the business, who has signing authority and what percentage of the business do they own? What is the legal structure of the business? Is there partnership and/or key person insurance in place?

### Choosing A Business Structure

Choosing a business structure is one of the most important decisions you will make as an entrepreneur. There are three basic structures: sole proprietorships, partnerships, and corporations.

*Sole Proprietorship:* A sole proprietorship typically is a business operated by an individual. It is the simplest form of business structure. The proprietor owns the business assets and is personally liable for any debts incurred by the business. Any profits or losses from the business are combined with other income of the individual, and reported on the personal income tax return for the calendar year in which the fiscal year of the proprietorship ends.

*Partnership:* A general partnership is formed by two or more individuals who together carry on a business for profit. There are three basic steps to the formation of a partnership: a registration of the partnership where required under provincial law, the creation of a partnership agreement, and the transfer of capital from the individuals to the partnership. The net profits of the partnership are allocated among the partners based on their right to share income. A partner's share of profit or loss is reported on the income tax return for the year that includes the year-end of the partnership.

*Corporation:* A corporation is a separate legal entity incorporated under provincial or federal law. This can provide protection from both creditors and lawsuits. This idea is called limited liability (i.e., limited to the assets of the corporation and the share capital of the shareholders). The initial legal costs of incorporating can run between \$1000 to \$1200.

Deciding on your business structure should be made from both a legal and a taxation viewpoint. Talk to a lawyer.

### Personal Goals of Management

- List your personal goals and describe how the proposed business will allow you to achieve these goals. It is important that you enjoy working at your proposed business as you will be spending many hours doing so. It is also important that this business immediately or eventually allows you to achieve your personal goals.

### Management Resume

- List all work experience.
- List all education.
- List all relevant hobbies and volunteer work.
- Relate how experience gained during each of your occupations, education and hobbies or volunteer work will help you successfully operate your proposed business.
- List other pertinent personal information such as age, marital status, dependants etc...

### **References for Management [\(Example 3\)](#)**

- Draw up a letter with your name, address and a description of your proposed business. Take this letter around to friends and any high profile members of the community that know you. Ask these individuals if they feel that your proposed business is a good idea and if you have the skills and personality to run it. If so ask them to sign your letter of reference to this effect.

### **Partnership or Joint Venture Agreements (if applicable)**

- If you are going to have a partner or partners, or be operating in conjunction with, or have a business relationship with another individual or business, you must have a proper written agreement in place. These agreements are available from Law firms, stationery stores, libraries and bookstores.
- This agreement should outline all of the responsibilities and compensations for undertaking these responsibilities for each partner.
- It should also contain a procedure for the orderly dissolving of the partnership should the partners agree to disagree.

### **Day to Day Operations**

- Go into detail on the facility, staff, hours worked, responsibilities, hours of operation, your role other than as manager.

### **Staffing**

- Describe the management and staffing structure of the business. What is the present level of staffing and what will it be over the next three years? What are the key positions and what is the reporting structure? What are the wage rates and what training will be provided? How will key staff be recruited when there is turnover or expansion? Attach resumes for all key staff.

### **Labour Market Issues**

- Discuss any factors that could limit the ability to hire, fire and retain staff.

## **REGULATORY ISSUES**

It is extremely important that you understand all regulatory/ government requirements before starting your new business. There are two reasons for this:

- 1) Once you are in business you will find it very difficult to find the time to research and fill out the necessary applications.
- 2) If you are slow to satisfy these requirements the applicable government agencies have the power to shut your business down.

### **Health, Fire, and Safety Building Inspections**

- Ensure that the building where you intend to house your proposed business meets all the requirements, that the City, or applicable Authority requires.

### **Business Licensing**

- Check out what types of business licenses are required and the cost for your business.
- Ensure that you can obtain a license for your proposed business.
- If you are going to be operating your business throughout the Greater Trail area, a regional business license is available at less cost than purchasing a license in each town or city.
- If you are going to be operating your business in an unincorporated area you will not require a business license.
- Participation in trade fairs and shows does not normally require a business license.

### **Trade Name Registration**

- If you are going to be operating the business under any name other than your own a search should be done to make sure that the name is available and (if it is available) protect it by registering that name.
- The BC Access Centre has the forms necessary to search and register the business name. The present cost is \$35.00 for each function (Search & Registration).
- All functions at the access centre can now be completed online by the client.

### **Labelling Information**

- If you are manufacturing a product in some cases it will need to meet government specifications. These products will have to have a label identifying which specifications the product meets. An example would be products meeting CSA specifications.
- Also some products such as foods must carry a label that identifies the components and the amount of each item.

### **Intellectual Property Protection, Patents, Copyrights and Trademarks**

- Will your products, services or processes require protection? Do you have a plan and the necessary funds to accomplish this? Do you have any existing proprietary advantages?

### **PST, GST, WCB and Revenue Canada Accounts**

- Are you required to charge PST? GST participation is optional if your sales, within any 12-month period, are less than \$30,000. It still may be financially beneficial to register, because all GST paid in the past on items you bring into the new business is refundable.
- If you are going to be paying yourself a wage or hiring staff, source deductions (UIC, CPP, etc . . .) must be extracted from the payroll each month and forwarded to Revenue Canada. Businesses are now given a BIN number (Business Identification Number) for GST and Payroll deduction identification purposes.
- Workers Compensation is available to business owners and coverage is mandatory for every employee.

## **RISK MANAGEMENT**

### **Risk Evaluation**

- What are the major threats or risks to your business? Examples of major risks would be you getting sick or injured or a strike by the transportation industry.
- What are the market risks? Examples would be a strike or shut down by a major employer, a recession and extreme weather conditions.
- Identifying these major risks are important and then outline what your response would be should these identified risks occur

## **Insurance Requirements and Proposed Coverage**

- To determine the insurance requirements and cost for the proposed business contact a reputable insurance agent who specializes in business insurance. You must consider a loss of the items in your possession and the liability aspect.
- If your business is home-based talk to the insurance agent for your residence regarding possible changes to your homeowners policy.
- If you will be using your personal vehicle for business, even occasionally, consider putting business coverage on it. It is inexpensive and can be used as a business expense.

## **FINANCIALS**

### **Management/Personal Financials**

#### **Personal Assets Brought into the Business ([Schedule 1](#))**

- May be in the form of cash, tools, equipment, vehicles, inventory, fixtures etc.

#### **Personal Net Worth Statement ([Schedule 3](#))**

- A comprehensive list and valuation of everything you owe and a comprehensive list of your financial obligations.
- What you own less what you owe equals your net worth.

#### **Personal Monthly Budget ([Schedule 4](#))**

- A detailed list of your typical monthly expenses that includes totals. This is necessary to know what the minimum wage your new business must provide for you.

### **Business Financials**

#### **Use and Source of Funds ([Schedule 2](#))**

- What will be the funds required to start your business be used for and what is the source of these funds?

#### **One Year Cash Flow Statement ([Schedule 5](#))**

- A detailed cumulative listing of your projected monthly sales and expenditures by month for the first 12 months of your business.
- This is necessary so that you have an estimate of what the cash requirements will be before starting your business. Many businesses fail because they are undercapitalized so estimating future capital requirements as accurately as possible is very important.
- You must make assumptions based on facts when estimating sales and in some case expenses. Please provide these assumptions on a separate page.

## REFERENCE BOOKS AVAILABLE AT CFDC's BUSINESS LIBRARY

*The Entrepreneurs Complete Self-Assessment Guide\** by Douglas Gray

*Starting a Successful Business In Canada\** by Jack James

*Look Before You Leap: Market Research Made Easy\** by Don Doman

*\*Self Counsel Press Series*

## INTERNET RESOURCES

- For new users, there are a number of Internet/World Wide Web related books in our Regional Business Library. The CFDC staff can assist first time users in using a web browser and searching for information. Experienced users may wish to visit the following business planning sites:
- The Canada/BC Business Information Centre at: <http://cbisc.org>
- The Business Development Bank at: [www.bdc.com](http://www.bdc.com),
- the BC Governments interactive business planner at: [www.sb.bc.ca](http://www.sb.bc.ca)

**Example 1    MARKETING SURVEY**

Hello; My name is John Doe and I am researching the feasibility of opening a children’s clothing store in the Greater Trail area. The name of the proposed store would be Kidder’s Klose.

In order to research the feasibility of my proposed business and establish how this business can best serve the areas needs I would like to ask you a few questions.

How many children do you have between the ages of 2 and 12? \_\_\_\_\_

If you do not have children of your own do you routinely purchase clothes for this age group who are grand kids etc.? (circle answer) Y N

What percentage of your children’s clothes are you presently purchasing locally? (circle answer) 25% 50% 75% almost all

What factors are most important to you in your decision to purchase?  
(Number blanks in order of preference)

- \_\_\_ Quality
- \_\_\_ Price
- \_\_\_ Selection
- \_\_\_ Style
- \_\_\_ Other \_\_\_\_\_

What factors are the biggest problem with purchasing locally?

- \_\_\_ Quality
- \_\_\_ Price
- \_\_\_ Selection
- \_\_\_ Style
- \_\_\_ Other \_\_\_\_\_

Do you feel there is a large need for another children’s clothing store in the Greater Trail area? (circle answer) Y N

If yes what specific areas would you like to see addressed?

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Thank you for your time and input, it is very much appreciated.

**Example 2 LETTER OF INTENT (non-binding)**

Hello; My name is John Doe and I propose to open a children’s clothing store on Bay Avenue in downtown Trail. The proposed name of the business is Kidder’s Klose.

This business will carry all types of children’s clothing and will target children from the ages of 2 to 12 years of age.

All clothing will be constructed with quality workmanship and fabrics and will carry a money back guarantee. Prices will range from midpoint for quality generic clothing to expensive for name brand latest fad or trend clothing.

The purpose of this letter is to identify whether there is a need in the community for this type of store. Do you;

- 1. Feel there is a need for a store of this type in the greater Trail area? Y / N
- 2. Feel you personally would support this proposed store? Y / N

Your response to these two questions plus any other relevant comments will be appreciated.

Comments

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Name \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Telephone \_\_\_\_\_

**Example 3 LETTER OF REFERENCE**

Hello; My name is John Doe and I propose to open a children’s clothing store on Bay Avenue in downtown Trail. The proposed name of the business is Kidder’s Klose.

This business will carry all types of children’s clothing and will target children from the ages of 2 to 12 years of age.

All clothing will be constructed with quality workmanship and fabrics and will carry a money back guarantee. Prices will range from midpoint for quality generic clothing to expensive for name brand latest fad or trend clothing.

Do you;

- 1. Feel there is a need for a store of this type in the greater Trail area? Y / N
- 2. Feel that I would be suited to operating a store of this type? Y / N

Your comments on why I would be well suited to run this type of business plus what areas I need to improve my skills in would be appreciated.

Your response to these two questions plus any other relevant comments will be appreciated.

Comments

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Name \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

Telephone \_\_\_\_\_

**Schedule 1 PERSONAL INVESTMENT**

List your personal investment in this business. This may be in kind (goods to be used for business purposes, ie: computer, vehicle, inventory), or actual cash you will be putting in. Remember to include any prepaid expenses you have incurred. Where applicable, indicate the fair market value of your investment. The SE program requires a personal investment of at least 25% of your total entitlement.

Office equipment	\$ _____
Computer hardware and software	\$ _____
Vehicle	\$ _____
Supplies and inventory	\$ _____
Tools and equipment	\$ _____
Other _____	\$ _____
_____	\$ _____
_____	\$ _____
Total:	\$ _____

**Schedule 2 USE & SOURCE OF FUNDS**

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

Please provide a detailed list of costs that must be incurred in order to get your project started:

Fixed Assets	Equipment	\$ _____
	Vehicles	\$ _____
	Land & Building	\$ _____
	Other: _____	\$ _____
	_____	\$ _____
	Inventory	\$ _____
	Operating	\$ _____
TOTAL	.....	\$ _____

Provide information on how you plan to finance the above requirements:

Bank Loans	\$ _____
Personal Investment	\$ _____
Supplier Credit	\$ _____
Other: _____	\$ _____
_____	\$ _____
TOTAL	..... \$ _____

**Schedule 3 PERSONAL FINANCIAL STATEMENT**

Name: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

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

SIN: \_\_\_\_\_ How long at present address: \_\_\_\_\_ Rent: \_\_\_\_\_

Own: \_\_\_\_\_ Phone no.: \_\_\_\_\_ Bank: \_\_\_\_\_

Last employer: \_\_\_\_\_ How long: \_\_\_\_\_

Occupation: \_\_\_\_\_ Marital Status: \_\_\_\_\_ Dependents: \_\_\_\_\_

Spouse: \_\_\_\_\_ Date of birth: \_\_\_\_\_ SIN: \_\_\_\_\_

Employed by: \_\_\_\_\_ Occupation: \_\_\_\_\_

<u>ASSETS</u>		<u>LIABILITIES</u>		
			Payment	Bal owing
Cash	_____	Bank loans	_____	_____
Bank accounts	_____	Mortgages	_____	_____
Life insurance	_____	Rent	_____	_____
Vehicle1 _____	_____	Credit cards list	_____	_____
Vehicle2 _____	_____		_____	_____
Investments	_____		_____	_____
Receivables	_____		_____	_____
Real Estate	_____		_____	_____
RRSP=s	_____	Other obligations	_____	_____
Other _____	_____		_____	_____
_____	_____		_____	_____
_____	_____	TOTAL payments	_____	_____
TOTAL assets	_____	TOTAL liabilities		_____
		NET WORTH		_____

I (We), the undersigned declare that the statements made herein are for the purposes of obtaining approval for the SE program and are to the best of my (our) knowledge complete and correct. I (We) hereby authorize the Community Futures Development Corporation of Greater Trail to conduct a credit investigation.

Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Schedule 4 PERSONAL MONTHLY BUDGET**

Income	
EI	_____
Spouse's employment	_____
Other income	_____
TOTAL income	_____
Expenses	
Rent or Mortgage	_____
Loan payments (total if more than one)	_____
Credit card and other payments (total)	_____
Food	_____
Utilities:       heating	_____
electrical	_____
other	_____
Taxes	_____
Gifts	_____
Clothing	_____
Medical including prescription drugs	_____
Dental and optometrist	_____
Vehicle maintenance and fuel	_____
Children's activities (organized sports, clubs, etc.)	_____
Travel and holidays	_____
Entertainment	_____
Babysitting	_____
Alcohol and cigarettes	_____
Insurance (house, life, vehicle etc.)	_____
Education (include computers, software, school supplies)	_____
Donations	_____
Other	_____
Other	_____
TOTAL expenses	_____
Total income less total expenses	* _____

\*This amount will indicate how much if any your new business will have to provide on a monthly basis in order for you to survive.

For expenses that you only pay on a yearly or quarterly basis, break these down to monthly figures. Example if your water-garbage-sewer bill is paid yearly divide the total by 12 to obtain a monthly figure.

## **INSTRUCTIONS FOR CASH FLOW**

The key thing to remember is that you are NOT trying to determine a profit or loss yet. You are trying to predict the timing of cash in or out of your bank account.

Don't spread costs evenly over the year. For example, if insurance costs \$1,200 per year and is payable in May, put the whole \$1,200 in that month. do not put \$1 00 each month. However, some insurance companies finance over a three-month period so be sure to enquire as this may increase your cash flow initially.

Keep in mind the timing of collections on your accounts receivable (if you have any). If you offer 30 day terms, be sure to show the cash received in the month following the sale.

As back up for cash flow, make an "assumptions" sheet. Indicate such things as costs per pound and pounds used, wagers per hour and hours required, etc.

The cash flow is an important first step in preparing your entire financial forecast. Most of the data collected here is used on balance sheet and income statement forecasts also.

Compare the expenses you marked on your checklist to be sure you have remembered everything.

Do the cash flow for 12 consecutive months. Once finished, add the columns top to bottom and the rows left to right.

Remember, if you need any guidance while completing this form, the CFDC staff would be happy to assist you.

**Schedule 5 PROJECTED BUSINESS CASHFLOW -YEAR 1**

	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
<b>SALES</b>													<b>TOTAL</b>
Sales													
Other Income													
Less Costs of Goods Sold													
Total Sales													
<b>CASH IN</b>													<b>TOTAL</b>
Cash sales													
A/R Collections -30 days													
A/R Collections -60 days													
Sales of Assets													
Personal Cash Investment													
Term Financing													
Total Cash In													
<b>CASH OUT</b>													<b>TOTAL</b>
Advertising and Promotion													
Auto and Truck													
Bank Charges													
Employee Wages/Benefits (13%)													
Insurance													
Legal and Accounting Fees													
Loan Payments													
Material/Inventory													
Miscellaneous													
Office Expenses													
* Owner's Drawings													
Purchase of Fixed Assets													
Rent and Utilities													
Repairs and Maintenance													
Supplies and Tools													
Taxes and Licences													
Telephone													
Travel and Entertainment													
Total Cash Out													
<b>SUMMARY</b>													<b>TOTAL</b>
Total Cash In													
Total Cash Out													
Monthly Surplus or Deficit													
Beginning Bank Balance													
Closing Bank Balance													
Bank Loan Balance at Month End													

# ASSUMPTIONS SHEET

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

Sales Assumptions:

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Expense Assumptions:

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*Community Futures Development Corporation  
of Greater Trail*

2950 Highway Drive, Trail, BC V1R 2T3  
Phone (250) 364-2595 Fax: (250) 364-2728 E-mail: [info@communityfutures.com](mailto:info@communityfutures.com)

**TELEPHONE CHECKLIST**

ZONING QUESTIONS AND BUSINESS LICENSE:

CITY OF TRAIL	364-1262
CITY OF ROSSLAND	362-7396
VILLAGE OF WARFIELD	368-8202
VILLAGE OF MONTROSE	367-7234
VILLAGE OF FRUITVALE	367-7551
REGIONAL DISTRICT OF KOOTENAY BOUNDARY	368-9148

REVENUE CANADA:

GENERAL ENQUIRES	1-800-959-8281
Web	<a href="http://www.rc.gc.ca">www.rc.gc.ca</a>

*PST ENQUIRES	1-800-663-7867
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WORKERS COMPENSATION BOARD OF BC:  
INFORMATION

1-800-925-2233

INSURANCE INFORMATION:

local insurance agencies

UTILITIES:

BC GAS	1-888-224-2710
WEST KOOTENAY POWER	368-0500

CHAMBER OF COMMERCE:

TRAIL	368-3144
ROSSLAND	362-5666

BC ACCESS CENTRE & GOVERNMENT AGENTS OFFICE	364-0591
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COMMUNITY FUTURES DEVELOPMENT CORPORATION  
OF GREATER TRAIL

**APPLICATION FOR SELF EMPLOYMENT PROGRAM**

Name of Applicant: \_\_\_\_\_

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

Telephone: \_\_\_\_\_ SIN # \_\_\_\_\_ Date Of Birth \_\_\_\_\_

Education: \_\_\_\_\_  
\_\_\_\_\_

Business Name: \_\_\_\_\_

Type of Business: \_\_\_\_\_

Proprietorship: \_\_\_\_\_ Partnership: \_\_\_\_\_ Percentage Owned \_\_\_\_\_

Partner Name: \_\_\_\_\_

Planned Business Start Date: \_\_\_\_\_

Description of Product/Service: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

What training, skills or experience do you have that would prepare you for operating this business? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

What additional skills/training do you feel are required? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Have you completed a market survey?       YES       NO

What type: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

From the market survey, please indicate the following:

a) Target Market \_\_\_\_\_  
\_\_\_\_\_

b) Market Area \_\_\_\_\_

c) Competition in the Greater Trail Area, list all that apply: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Comments \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

d) Identify the community support for establishing this business\*  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\*Please attach letters or indications of community support

e) Have you any confirmed contracts or purchase orders for your product or service? YES  NO

If Yes, Describe: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

What are your plans for promoting your business? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Proposed location for the business \_\_\_\_\_

Describe space requirements \_\_\_\_\_  
\_\_\_\_\_

Do you have the equipment needed to establish this business  YES  NO

If yes, describe \_\_\_\_\_  
\_\_\_\_\_

Will you require additional loan funds to start this business?  YES  NO

If yes, describe funds use \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If yes, have these funds been approved? ?  YES  NO

Where? \_\_\_\_\_

Will you be hiring employees in the first year?  YES  NO

If yes, number of employees: Full time \_\_\_\_\_ Part time \_\_\_\_\_

Using the cash flow forecast, please determine the following:

Total projected sales during first year? \$ \_\_\_\_\_

Total projected expenses (not including wage) \$ \_\_\_\_\_

Entitlement (gross) under SE: \_\_\_\_\_/month x 12 \$ \_\_\_\_\_

Personal investment in the business:

Equipment/Fixtures \$ \_\_\_\_\_

Supplies/Inventory \$ \_\_\_\_\_

Vehicle \$ \_\_\_\_\_

Cash \$ \_\_\_\_\_

Secured financing \$ \_\_\_\_\_

Other \_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ \$ \_\_\_\_\_

What benefit would this business offer the Greater Trail area?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Explain why you feel you need the SE funding to start your business.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

How will you ensure that your business becomes self-sufficient after the grant ends?

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Indicate which priority sector(s) apply to your business:

Value-added manufacturing/secondary processing \_\_\_\_\_

Businesses targeting expanding markets \_\_\_\_\_

Innovative community service \_\_\_\_\_

Tourism related businesses \_\_\_\_\_

Environment enterprises \_\_\_\_\_

Eligibility: UI: \_\_\_\_\_ Expiry date: \_\_\_\_\_

Married/Common Law  YES  NO No. of Dependents: \_\_\_\_\_

Do you consider yourself:  Disabled  
 Aboriginal  
 Visible Minority  
 Displaced Worker

Is there any additional information you feel would be pertinent to this application?

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Date: \_\_\_\_\_

Signed: \_\_\_\_\_