



# BUSINESS PLAN

## BACK N THE DAY GAMES AND CARDS

NOSTALGIC GAMES, TRADING CARDS,  
AND COLLECTIBLES



CONFIDENTIAL BUSINESS PLAN - FOR AUTHORIZED REVIEWERS ONLY

# Opening Instructions, Back N The Day Games and Cards Business Plan Template

A robust business plan for **Back N The Day Games and Cards** serves several vital purposes. It helps convince investors or lenders to finance your venture, persuade potential partners or key employees to join your team, and most importantly, acts as a strategic roadmap guiding the launch and growth of your online store.

Crafting this plan is your chance to think through every major piece of the business with discipline, not vibes. Use it to pinpoint weaknesses before they cost you money, uncover opportunities you would otherwise miss, and map out how you will compete in a crowded e-commerce environment. Be honest and thorough. Do not avoid problems, identify them early, then document the solutions you will use to reduce risk.

## 1. How to Use This Template

This template is structured to make the process straightforward and practical:

- **Step 1, Read the section instructions first.** Each section begins with guidance explaining what the reader expects to see and what “good” looks like.
- **Step 2, Complete the matching worksheet.** Each section includes fillable prompts designed to capture the exact information you will later convert into your final narrative plan.
- **Step 3, Convert worksheet answers into polished plan language.** Your completed worksheets are the raw material. Your final plan should read cleanly, logically, and professionally.
- **Step 4, Verify, refine, and tighten.** Eliminate filler, confirm numbers, and make sure your plan tells one consistent story from problem to solution to execution.

## 2. Standards for a Strong Plan

Your plan should be written so that someone unfamiliar with nostalgic games, trading cards, or collectibles can still understand the business and why it will work.

- **Be clear and concise.** Keep sentences tight. Define niche terms. Avoid excessive jargon.
- **Lead with facts.** Most of your time should be spent researching and thinking critically, not writing.
- **Document all research.** Track sources for market data, competitor pricing, shipping costs, ad benchmarks, platform fees, and any assumptions used in projections.
- **Avoid unsubstantiated claims.** Skip sweeping statements like “huge demand” or “no competition.” Replace them with proof, numbers, and specific examples.
- **Make assumptions explicit.** If you estimate conversion rate, average order value, return rate, or ad spend, state the assumption and why it’s reasonable.

## 3. What to Research Before You Start Writing

You do not need to become an academic, but you do need evidence. At minimum, gather:

- **Market demand signals**, search interest, marketplace volumes, category growth indicators, collector trends
- **Competitive landscape**, top competitors, pricing ranges, shipping practices, differentiation angles
- **Unit economics**, cost of goods, grading costs, supplies, platform fees, payment processing fees, shipping, returns
- **Customer behavior**, typical buyer profiles, purchase frequency, seasonality, community channels
- **Go-to-market realities**, ad costs, influencer pricing, content cadence, conversion benchmarks, email list strategy

Keep a simple “Sources” page as you go. If you cannot cite it, treat it as a hypothesis and label it accordingly.

#### 4. How to Think About Your Numbers

Investors and lenders expect realism. Your projections should be conservative, supported by assumptions, and internally consistent.

- Base revenue on **traffic × conversion rate × average order value**, not hope
- Include **fees, shipping, returns, and shrink**, not just product margins
- Show how marketing spend translates into customers and repeat purchases
- Stress-test your model, what happens if sales are 30% lower or ad costs are 30% higher?

#### 5. Refining Your Plan for the Goal

The final section, **Refining Your Plan**, provides guidance on tailoring your plan for specific outcomes, for example:

- **Bank loan version**, stronger emphasis on cash flow coverage, collateral, repayment ability, risk controls
- **Investor version**, stronger emphasis on growth strategy, scalability, defensibility, TAM and expansion path
- **E-commerce and retail version**, stronger emphasis on inventory strategy, fulfillment, returns, customer service, platform risk

#### 6. Final Quality Check

Before you treat the plan as “done”:

- **Proofread** the entire document, or have someone else review it
- Confirm that **every figure ties out** and matches your assumptions
- Ensure the plan has **one clear story**, who you serve, what you sell, why you win, how you market, how you fulfill, how you profit
- Remove contradictions, vague language, and unsupported claims

When completed, your business plan should function like an operator’s manual: a clear, evidence-backed blueprint for launching and scaling **Back N The Day Games and Cards** with discipline, not guesswork.

# Business Plan

---

[Insert Date]

**Company Name:** Back N The Day Games and Cards

**Street Address 1:** [Your Street Address 1]

**Street Address 2:** [Your Street Address 2]

**City, State, ZIP:** [Your City, State, ZIP]

**Business Phone:** [Your Business Phone]

**Website URL:** [Your Website URL]

**Email Address:** [Your Email Address]

# Confidentiality Agreement

The undersigned reader acknowledges that any information provided by \_\_\_\_\_ in this business plan, excluding information that is publicly available, is confidential and proprietary in nature. This information is provided solely for the purpose of evaluating the business, its operations, and its potential opportunities.

The reader understands and agrees that any unauthorized disclosure, reproduction, distribution, or use of this confidential information may result in substantial harm or damage to \_\_\_\_\_. Accordingly, the undersigned agrees to hold all such information in strict confidence and not to disclose it, in whole or in part, to any third party without the prior express written consent of \_\_\_\_\_.

This confidentiality obligation applies to all materials contained within this business plan, including but not limited to financial data, projections, strategies, business concepts, supplier information, pricing, marketing plans, and operational details.

Upon written or verbal request, the undersigned agrees to immediately return or permanently destroy this business plan and all copies thereof, whether in physical or electronic form, and to confirm such return or destruction upon request, to \_\_\_\_\_.

By reviewing this business plan, the undersigned acknowledges and agrees to the terms of this Confidentiality Agreement.

---

## Acknowledged and Agreed:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (typed or printed)

\_\_\_\_\_  
Date

NOTE: This is a business plan. It does not imply an offering of securities.

## Table of Contents

<b>Confidentiality Agreement</b> .....	<b>4</b>
<b>I. Instructions: Executive Summary</b>	
<i>Executive Summary</i> .....	7
<b>II. Instructions: Company Description</b>	
<i>Company Description Worksheet</i> .....	9
<b>III. Instructions: Products &amp; Service</b>	
<i>Product &amp; Service Description Worksheet</i> .....	11
<b>IV. Instructions: Marketing Plan</b>	
<i>SWOT Analysis Worksheet</i> .....	15
<i>Competitor Data Collection Plan</i> .....	18
<i>Competitive Analysis Worksheet</i> .....	19
<i>Marketing Expenses Strategy Chart</i> .....	21
<i>Pricing Strategy Worksheet</i> .....	23
<i>Distribution Channel Assessment Worksheet</i> .....	25
<b>V. Instructions: Operational Plan</b>	
<b>VI. Instructions: Management &amp; Organization</b> .....	<b>2926</b>
<i>Management Worksheet</i> .....	30
<i>Organization Chart</i> .....	31
<b>VII. Instructions: Startup Expenses &amp; Capitalization</b>	
<b>VIII. Instructions: Financial Plan</b> .....	<b>33</b>
<b>IX. Instructions: Appendices</b> .....	<b>35</b>
<b>X. Instructions: Refining the Plan</b> .....	<b>36</b>
<b>Now That You're (Almost) Finished</b> . . .	<b>35</b>

## I. Instructions: Executive Summary

The **Executive Summary** is the most critical component of your "Back N The Day Games and Cards" business plan. It's often the initial, and sometimes only, section a prospective investor or lender reviews before deciding to delve further. It must effectively convey your enthusiasm for your online store and captivate readers.

**Write your Executive Summary LAST**, once you've completed all other sections of the business plan. This ensures you've thoroughly considered every aspect of your startup and are prepared to summarize them compellingly.

Your Executive Summary for "Back N The Day Games and Cards" should briefly explain each of the following:

1. **Business Idea Overview:** A concise one or two-sentence description of "Back N The Day Games and Cards" as an online store specializing in 90's themed baseball cards and video games.
2. **Product and/or Service Description:** Detail the types of vintage baseball cards, retro video games, and any related 90's themed merchandise you will offer. What nostalgic desire or collectible gap are you fulfilling for your target customers?
3. **Business Goals:** Outline your aspirations for "Back N The Day Games and Cards." Where do you expect the business to be in one year, three years, and five years? (e.g., specific revenue milestones, expanding product lines).
4. **Proposed Target Market:** Clearly define your ideal customers. Who are the primary demographics and psychographics of individuals seeking 90's nostalgia, vintage gaming, and collectible baseball cards?
5. **Competition and Differentiation:** Identify your key competitors in the retro gaming and collectible card market. What unique selling proposition (USP) will make "Back N The Day Games and Cards" stand out and succeed? (e.g., a highly curated selection, exclusive themed drops, community engagement).
6. **Management Team and Experience:** Highlight the relevant experience and skills of your management team that will give "Back N The Day Games and Cards" a competitive edge.
7. **Financial Outlook:** If you're seeking financing, clearly state the specific amount of money you need, how you intend to use it, and how this investment will directly enhance your business' profitability.

**Limit your Executive Summary to one or two pages in total.** After reading it, readers should have a fundamental understanding of "Back N The Day Games and Cards," be excited about its market potential, and be sufficiently interested to read the entire plan.

*After you've completed your business plan, return to this section to write your executive summary on the next page.*



## II. Instructions: Company Description

This section details the fundamental aspects of "Back N The Day Games and Cards." Include each of the following:

1. **Company Mission Statement:** A concise explanation of your company's core reason for existence. For "Back N The Day Games and Cards," this could be as succinct as a tagline ("**Back N The Day Games and Cards: Your Portal to 90s Nostalgia!**") or more detailed: ("**Back N The Day Games and Cards is an online retail store dedicated to bringing the excitement of 90's pop culture to enthusiasts through a curated selection of vintage baseball cards and classic video games. Our mission is to provide authentic, high-quality collectibles and foster a vibrant community for fellow nostalgia seekers.**") Aim for one or two sentences.
2. **Company Philosophy and Vision:** a. **Values:** What core values will "Back N The Day Games and Cards" embody? Think about principles like **authenticity, community, passion, integrity,** and **customer delight** in the collectible space. b. **Vision:** This refers to the long-term outlook for your business. What do you ultimately want "Back N The Day Games and Cards" to become? For instance, your vision might be to become the leading online authority and marketplace for 90's pop culture collectibles, potentially expanding into themed events or digital content.
3. **Company Goals:** Specify your long-term and short-term goals, along with any milestones or benchmarks to measure your progress. For example, if a long-term goal is to expand your inventory to include other 90's memorabilia, a short-term goal might be to secure exclusive supplier relationships for specific card sets, with milestones like reaching a certain monthly sales volume for baseball cards.
4. **Target Market:** You will cover this in-depth in the Marketing Plan section. Here, briefly explain who your target customers are. (e.g., collectors aged 25-45, parents introducing their kids to retro gaming, casual enthusiasts seeking nostalgic items).
5. **Industry:** Describe the vintage baseball card and retro video game industry. Is this niche growing, mature, or stable? What is the industry outlook both long-term and short-term, especially considering the rise of nostalgia trends? How will "Back N The Day Games and Cards" capitalize on projected industry changes and trends? What might happen to your competitors, and how will your business successfully compete in this evolving market?
6. **Legal Structure:** a. Is "Back N The Day Games and Cards" a sole proprietorship, LLC, partnership, or corporation? Justify your choice for this specific form of business. b. If there's more than one owner, explain how ownership is divided. If you have investors, detail the percentage of shares they own. This information is critical for investors and lenders.

After reading the Company Description, the reader should have a fundamental understanding of "Back N The Day Games and Cards" mission and vision, goals, target market, competitive landscape, and legal structure.

*Use the **Company Description Worksheet** on the next page to help you complete this section.*

*Company Description Worksheet*

<b>Business Name</b>	
<b>Company Mission Statement</b>	
<b>Company Philosophy/ Values</b>	
<b>Company Vision</b>	
<b>Goals &amp; Milestones</b>	1. 2. 3.
<b>Target Market</b>	
<b>Industry/ Competitors</b>	1. 2. 3.
<b>Legal Structure/ Ownership</b>	

### **III. Instructions: Products & Services**

**This section builds upon the foundational information about your products and services already introduced in the Executive Summary and Company Description. Here are some key elements for Back N The Day Games and Cards to consider:**

- 1. Your Company's Products and/or Services:** Clearly detail what "Back N The Day Games and Cards" sells. This includes specific categories like vintage baseball cards (e.g., unopened packs, graded singles, complete sets from the 90s), and retro video games (e.g., specific console cartridges, complete-in-box games, related memorabilia from the 90s era). Explain how these items are sourced and prepared for sale (e.g., authenticating, grading, cleaning, testing). Include details about relationships with key suppliers, reputable graders, or partners that are essential for acquiring and delivering high-quality, authentic 90s collectibles to your customers.
- 2. The Problem the Product or Service Solves:** Every successful business addresses a specific customer need or "problem." For "Back N The Day Games and Cards," explain what common issues or desires your target customers face. Is it the challenge of finding authentic, well-preserved 90s collectibles? The yearning for a nostalgic trip back to their childhood? The difficulty of securing rare or specific items? Describe how your curated selection and dedicated focus on the 90s solves these. What are the key benefits (e.g., reliable authenticity, a convenient one-stop shop for 90s nostalgia, access to rare finds), features (e.g., grading options, detailed item descriptions, vibrant online community), and your unique selling proposition (e.g., specialized 90s focus, expert curation, engaging content)? While you'll have competitors, articulate why your solution for "Back N The Day Games and Cards" is superior, targets an underserved segment of 90s enthusiasts, or offers a distinctive experience that provides a strong competitive edge.
- 3. Any Proprietary Features that Give You a Competitive Advantage:** Does "Back N The Day Games and Cards" possess any exclusive elements that set you apart? For an online store, this might not involve patents on physical products. Instead, consider: Do you have exclusive agreements with specific distributors or private collectors for unique 90s inventory that none of your competitors can access? Have you developed proprietary authentication processes or digital tools for customers (e.g., a custom vintage game testing protocol, an interactive 90s baseball card database on your site)? Do you hold licenses for any 90s-themed digital content, brand partnerships, or unique packaging concepts that are in high demand or short supply in the nostalgia market?
- 4. How You Will Price Your Product or Service:** Describe the pricing structure for your vintage baseball cards and retro video games. Will you use a variable pricing model based on rarity and condition, or more fixed tiers? How does "Back N The Day Games and Cards'" pricing strategy fit into the competitive landscape of online collectible sales—are your prices positioned at the premium, mid-range, or value end? How will this specific pricing strategy effectively attract your target demographic of 90s enthusiasts and collectors? What is your projected profit margin on different product categories (e.g., sealed packs vs. graded singles, common games vs. rare titles)?

**Include any product or service details, such as detailed item condition standards, photos of typical inventory, sourcing guidelines, or any unique packaging designs in the Appendices.**

**After reading the Products & Services section, the reader should have a clear understanding of what "Back N The Day Games and Cards" sells, what specific problems it solves for customers in the 90s nostalgia market, and the unique selling proposition that makes it highly competitive.**

*Use the Product and Service Description Worksheet on the next page to help you complete this section.*

---

*Product & Service Description Worksheet*

<b>Business Name</b>	
<b>Product/ Service Idea</b>	
<b>Special Benefits</b>	
<b>Unique Features</b>	
<b>Limits and Liabilities</b>	
<b>Production and Delivery</b>	
<b>Suppliers</b>	
<b>Intellectual Property Special Permits</b>	
<b>Product/ Service Description</b>	

## **IV. Instructions: Marketing Plan**

This section provides details on your industry, the competitive landscape, your target market and how you will market your business to those customers.

### **7. Market research**

There are two kinds of research: *primary* and *secondary*. *Primary* market research is information you gather yourself. This could include going online or driving around town to identify competitors; interviewing or surveying people who fit the profile of your target customers; or doing traffic counts at a retail location you're considering.

*Secondary* market research is information from sources such as trade organizations and journals, magazines and newspapers, Census data and demographic profiles. You can find this information online, at libraries, from chambers of commerce, from vendors who sell to your industry or from government agencies.

This section of your plan should explain:

- The total size of your industry
- Trends in the industry – is it growing or shrinking?
- The total size of your target market, and what share is realistic for you to obtain
- Trends in the target market – is it growing or shrinking? How are customer needs or preferences changing?

### **8. Barriers to entry**

What barriers to entry does your startup face, and how do you plan to overcome them? Barriers to entry might include:

- High startup costs
- High production costs
- High marketing costs
- Brand recognition challenges
- Finding qualified employees
- Need for specialized technology or patents
- Tariffs and quotas
- Unionization in your industry

### **9. Threats and opportunities**

Once your business surmounts the barriers to entry you mentioned, what additional threats might it face? Explain how the following could affect your startup:

- Changes in government regulations
- Changes in technology
- Changes in the economy
- Changes in your industry

Use the SWOT Analysis Worksheet on the next page to identify your company's weaknesses and potential threats, as well as its strengths and the potential opportunities you plan to exploit.

**SWOT Analysis Worksheet**

	<b>Strengths</b>	<b>Weaknesses</b>	<b>Opportunities</b>	<b>Threats</b>
<b>Product/ Service Offering</b>				
<b>Brand/ Marketing</b>				
<b>Staff/HR</b>				
<b>Finance</b>				
<b>Operations/ Management</b>				
<b>Market</b>				
<b>Can any of your strengths help with improving your weaknesses or combating your threats? If so, please describe how below.</b>				
<b>Based on the information above, what are your immediate goals/next steps?</b>				
<b>Based on the information above, what are your long-term goals/next steps?</b>				

## 10. Product/service features and benefits

Describe all of your products or services, being sure to focus on the customer's point of view. For each product or service:

- Describe the most important features. What is special about it?
- Describe the most important benefits. What does it do for the customer?

In this section, explain any after-sale services you plan to provide, such as:

- Product delivery
- Warranty/guarantee
- Service contracts
- Ongoing support
- Training
- Refund policy

## 11. Target customer

Describe your target customer. (This is also known as the *ideal customer* or *buyer persona*.)

You may have more than one target customer group. For instance, if you sell a product to consumers through distributors, such as retailers, you have at least two kinds of target customers: the distributors (businesses) and the end users (consumers).

Identify your target customer groups, and create a demographic profile for each group that includes:

### *For consumers:*

- Age
- Gender
- Location
- Income
- Occupation
- Education level

### *For businesses:*

- Industry
- Location
- Size
- Stage in business (startup, growing, mature)
- Annual sales

## 12. Key competitors

One of the biggest mistakes you can make in a business plan is to claim you have “no competition.” Every business has competitors. Your plan must show that you've identified yours and understand how to differentiate your business. This section should:

List key companies that compete with you (including names and locations), products that compete with yours and/or services that compete with yours. Do they compete across the board, or just for specific products, for certain customers or in certain geographic areas?

Also include indirect competitors. For instance, if you're opening a restaurant that relies on consumers' discretionary spending, then bars and nightclubs are indirect competitors.



***Competitor Data Collection Plan***

<b>Price</b>		
<b>Benefits/Features</b>		
<b>Size/profitability</b>		
<b>Market strategy</b>		

*Once you've identified your major competitors, use the Competitive Analysis Worksheet on the next page to compare your business to theirs.*

**Competitive Analysis Worksheet**

For each factor listed in the first column, assess whether you think it's a strength or a weakness (S or W) for your business and for your competitors. Then rank how important each factor is to your target customer on a scale of 1 to 5 (1 = very important; 5 = not very important). Use this information to explain your competitive advantages and disadvantages.

<b>FACTOR</b>	<b>Me</b>	<b>Competitor A</b>	<b>Competitor B</b>	<b>Competitor C</b>	<b>Importance to Customer</b>
<b>Products</b>					
<b>Price</b>					
<b>Quality</b>					
<b>Selection</b>					
<b>Service</b>					
<b>Reliability</b>					
<b>Stability</b>					
<b>Expertise</b>					
<b>Company Reputation</b>					
<b>Location</b>					
<b>Appearance</b>					
<b>Sales Method</b>					
<b>Credit Policies</b>					
<b>Advertising</b>					
<b>Image</b>					

### **13. Positioning/Niche**

Now that you've assessed your industry, product/service, customers and competition, you should have a clear understanding of your business's niche (your unique segment of the market) as well as your positioning (how you want to present your company to customers). Explain these in a short paragraph.

### **14. How you will market your product/service**

In this section, explain the marketing and advertising tactics you plan to use.

Advertising may include:

- Online
- Print
- Radio
- Cable television
- Out-of-home

Which media will you advertise in, why and how often?

Marketing may include:

- Business website
- Social media marketing
- Email marketing
- Mobile marketing
- Search engine optimization
- Content marketing
- Print marketing materials (brochures, flyers, business cards)
- Public relations
- Trade shows
- Networking
- Word-of-mouth
- Referrals

What image do you want to project for your business brand?

What design elements will you use to market your business? (This includes your logo, signage and interior design.) Explain how they'll support your brand.

### **15. Promotional budget**

How much do you plan to spend on the marketing and advertising outreach above:

- Before startup (These numbers will go into your startup budget)
- On an ongoing basis (These numbers will go into your operating plan budget)

*Use the Marketing Expenses Strategy Chart on the next page to help figure out the cost of reaching different target markets.*

*Marketing Expenses Strategy Chart*

	<b>Target Market 1</b>	<b>Target Market 2</b>	<b>Target Market 3</b>
<b>One-Time Expenses</b>			
<b>Monthly or Annual Expenses</b>			
<b>Labor Costs</b>			

Download the [SBARecon Annual Marketing Budget Template](#). Using the information you've gathered, create your annual marketing budget.

## 16. Pricing

You explained pricing briefly in the “Products & Services” section; now it’s time to go into more detail. How do you plan to set prices? Keep in mind that few small businesses can compete on price without hurting their profit margins. Instead of offering the lowest price, it’s better to go with an average price and compete on quality and service.

- Does your pricing strategy reflect your positioning?
- Compare your prices with your competitors’. Are they higher, lower or the same? Why?
- How important is price to your customers? It may not be a deciding factor.
- What will your customer service and credit policies be?

*Use the Pricing Strategy Worksheet on the next page to help with your pricing.*

**Pricing Strategy Worksheet**

<b>Business Name</b>		
<b>Which of the following pricing strategies will you employ? Circle one.</b>		
<b>Cost Plus</b> <i>The costs of making/obtaining your product or providing your service, plus enough to make a profit</i>	<b>Value Based</b> <i>Based on your competitive advantage and brand (perceived value)</i>	<b>Other:</b>
<b>Provide an explanation of your pricing model selection.</b> Include strategy info on your major product lines/service offerings. List industry/market practices and any considerations to be discussed with your mentor.		

## **17. Location or proposed location**

If you have a location picked out, explain why you believe this is a good location for your startup.

If you haven't chosen a location yet, explain what you'll be looking for in a location and why, including:

- Convenient location for customers
- Adequate parking for employees and customers
- Proximity to public transportation or major roads
- Type of space (industrial, retail, etc.)
- Types of businesses nearby

Focus on the location of your building, not the physical building itself. You'll discuss that later, in the Operations section.

## **18. Distribution channels**

What methods of distribution will you use to sell your products and/or services? These may include:

- Retail
- Direct sales
- Ecommerce
- Wholesale
- Inside sales force
- Outside sales representatives
- OEMs

If you have any strategic partnerships or key distributor relationships that will be a factor in your success, explain them here.

*If you haven't yet finalized your distribution channels, use the Distribution Channel Assessment Worksheet on the next page to assess the pros and cons of each distribution channel you are considering.*

*Distribution Channel Assessment Worksheet*

	<b>Distribution Channel 1</b>	<b>Distribution Channel 2</b>	<b>Distribution Channel 3</b>
<b>Ease of Entry</b>			
<b>Geographic Proximity</b>			
<b>Costs</b>			
<b>Competitors' Positions</b>			
<b>Management Experience</b>			
<b>Staffing Capabilities</b>			
<b>Marketing Needs</b>			

## **19. 12-month sales forecast**

Download the SBAREcon [Sales Forecast](#) spreadsheet and use it to create a month-by-month sales projection.

If you've already made some sales, you can use those as a basis for your projections. If, like most startups, you haven't sold anything yet, you'll need to create estimates based on your market research, your proposed marketing strategies and your industry data.

Create two forecasts: a "best guess" scenario (what you really expect) and a "worst case" scenario (one you're confident you can reach no matter what).

Keep notes on the research and assumptions that go into developing these sales forecasts. Financing sources will want to know what you based the numbers on.

After reading the Marketing Plan section, the reader should understand who your target customers are, how you plan to market to them, what sales and distribution channels you will use, and how you will position your product/service relative to the competition.

## **V. Instructions: Operational Plan**

This section explains the daily operation of your business, including its location, equipment, personnel and processes.

### **1. Production**

How will you produce your product or deliver your service? Describe your production methods, the equipment you'll use and how much it will cost to produce what you sell.

### **2. Quality control**

How will you maintain consistency? Describe the quality control procedures you'll use.

### **3. Location**

Where is your business located? You briefly touched on this in the Company Overview. In this section, expand on that information with details such as:

- a. The size of your location
- b. The type of building (retail, industrial, commercial, etc.)
- c. Zoning restrictions
- d. Accessibility for customers, employees, suppliers and transportation if necessary
- e. Costs including rent, maintenance, utilities, insurance and any buildout or remodeling costs
- f. Utilities

### **4. Legal environment**

What type of legal environment will your business operate in? How are you prepared to handle legal requirements? Include details such as:

- g. Any licenses and/or permits that are needed and whether you've obtained them
- h. Any trademarks, copyrights or patents that you have or are in the process of applying for
- i. The insurance coverage your business requires and how much it costs
- j. Any environmental, health or workplace regulations affecting your business
- k. Any special regulations affecting your industry
- l. Bonding requirements, if applicable

### **5. Personnel**

What type of personnel will your business need? Explain details such as:

- m. What types of employees? Are there any licensing or educational requirements?
- n. How many employees will you need?
- o. Will you ever hire freelancers or independent contractors?
- p. Include job descriptions.
- q. What is the pay structure (hourly, salaried, base plus commission, etc.)?
- r. How do you plan to find qualified employees and contractors?
- s. What type of training is needed and how will you train employees?

## **6. Inventory**

If your business requires inventory, explain:

- What kind of inventory will you keep on hand (raw materials, supplies, finished products)?
- What will be the average value of inventory (in other words, how much are you investing in inventory)?
- What rate of inventory turnover do you expect? How does this compare to industry averages?
- Will you need more inventory than normal during certain seasons? (For instance, a retailer might need additional inventory for the holiday shopping season.)
- What is your lead time for ordering inventory?

## **7. Suppliers**

List your key suppliers, including:

- Names, addresses, websites
- Type and amount of inventory furnished
- Their credit and delivery policies
- History and reliability
- Do you expect any supply shortages or short-term delivery problems? If so, how will you handle them?
- Do you have more than one supplier for critical items (as a backup)?
- Do you expect the cost of supplies to hold steady or fluctuate? If the latter, how will you deal with changing costs?
- What are your suppliers' payment terms?

## **8. Credit policies**

If you plan to sell to customers on credit, explain:

- Whether this is typical in your industry (do customers expect it)?
- What will your credit policies be? How much credit will you extend? What are the criteria for extending credit?
- How will you check new customers' creditworthiness?
- What credit terms will you offer?
- Detail how much it will cost you to offer credit and show that you've built these costs into your pricing structure.
- How will you handle slow-paying customers? Explain your policies, such as when you will follow up on late payments, and when you will get an attorney or collections agency involved.

After reading the Operational Plan section, the reader should understand how your business will operate on a day-to-day basis.

## VI. Instructions: Management & Organization

This section should give readers an understanding of the people behind your business, their roles and responsibilities, and their prior experience. If you're using your business plan to get financing, know that investors and lenders carefully assess whether you have a qualified management team.

### 1. Biographies

Include brief biographies of the owner/s and key employees. Include resumes in the Appendix. Here, summarize your experience and those of your key employees in a few paragraphs per person. Focus on the prior experience and skills that have prepared your team to succeed in this business. If anyone has previous experience starting and growing a business, explain this in detail.

### 2. Gaps

Explain how you plan to fill in any gaps in management and/or experience. For instance, if you lack financial know-how, will you hire a CFO or retain an accountant? If you don't have sales skills, will you hire an in-house sales manager or use outside sales reps?

### 3. Advisors

List the members of your professional/advisory support team, including:

- a. Attorney
- b. Accountant
- c. Board of directors
- d. Advisory board
- e. Insurance agent
- f. Consultants
- g. Banker
- h. Mentors and other advisors

If they have experience or specializations that will increase your chances of success, explain. For instance, does your mentor have experience launching and growing a similar business?

### 4. Organization Chart

Develop and include an organization chart. This should include both roles that you've already filled and roles you plan to fill in the future.

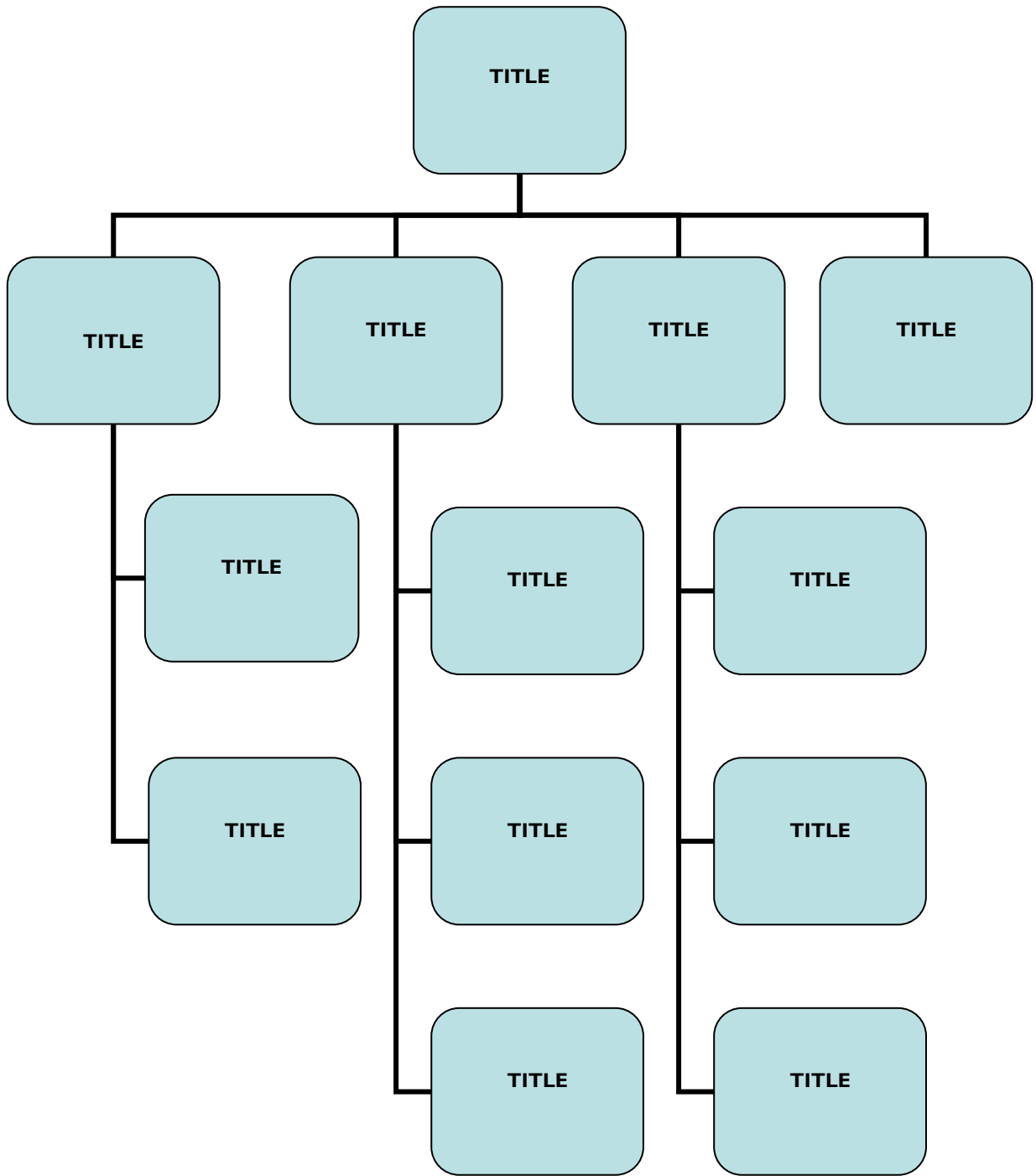
After reading the Management & Organization section, the reader should feel confident that you have a qualified team leading your business.

*Use the Management Worksheet and Organization Chart on the next two pages to highlight your management team.*

*Management Worksheet*

<p><b>Bio's</b></p>	
<p><b>Gaps in Management or Experience</b></p>	
<p><b>Advisors</b></p>	

*Organization Chart*



## **VII. Instructions: Startup Expenses & Capitalization**

In this section, detail the expenses involved in opening for business and how much capital you'll need. (Do not include ongoing expenses after your business opens; those are listed in the Financial Plan.) Estimating startup expenses as accurately as possible helps you gather enough startup capital.

### **1. Start-Up Expenses**

Download and complete the Start-Up Expenses template. In working on this Business Plan, you should already have gathered most, if not all, of the information you need. In the body of this section, be sure to explain all of the assumptions behind the figures. How did you come up with these expenses? If you've secured or expect to secure loans, explain the source/s, amount/s and terms. If you've secured or expect to secure investors, explain how much each investor will contribute and what percentage of ownership each receives in return.

Be sure to include extra capital for unexpected expenses. Opening a new business almost always ends up costing more than expected, and you need to be prepared. List this figure in the Start-Up Expenses template under "Reserve for Contingencies." How much should you set aside for contingencies? You can talk to other business owners in your industry to get a ballpark figure. If you can't come up with a figure this way, a good rule of thumb is to set aside 20% to 25% of your total startup costs for contingencies.

### **2. Opening Day Balance Sheet**

Start and complete a Balance Sheet. Use it to detail the expected state of your business finances on opening day. As with the Start-Up Expenses sheet, be sure to explain the assumptions behind the figures.

### **3. Personal Financial Statement**

If you are using the business plan to seek financing, include personal financial statements for each owner and each major stockholder. The personal financial statements should detail each person's assets and liabilities outside of the business and their personal net worth. Investors and/or lenders typically expect business owners to use personal assets to finance a startup, and they'll want to see how much capital you have available from your personal finances.

After reading the Startup Expenses & Capitalization section, the reader should know how much money is needed to start the business and how well capitalized you are.

## VIII. Instructions: Financial Plan

Your financial plan is perhaps the most important element of your business plan. Lenders and investors will review it in detail. Developing your financial plan helps you set financial goals for your startup and assess its financing needs. Include the following:

### 1. 12-month profit & loss projection

Also known as an *income statement* or *P&L*, the 12-month profit and loss projection is the centerpiece of your business plan. Start a 12-Month Profit and Loss Projection and fill in your projected sales, cost of goods sold and gross profit. (Refer to the Sales Forecast you created in Section IV). Then list your expenses, net profit before taxes, estimated taxes and net operating income.

Be sure to explain the assumptions behind the numbers in your P&L. Keep detailed notes about how you came up with these figures; you may need this information to answer questions from potential financing sources.

### 2. Optional: 3-year profit & loss projection

A three-year profit and loss projection is not essential to a business plan. However, you may want to create one if you expect your business's financials to change substantially after the first year, or if investors or lenders require it. If you really want to get in depth, develop a 3-Year Profit and Loss Projection template, and use it to create your projection.

### 3. Cash flow projection

The cash flow statement tracks how much cash your business has on hand at any given time. Once your business is up and running, you'll want to keep close tabs on your cash flow statement. For now, however, you're creating a cash flow *projection*. Think of the cash flow projection as a forecast for your business checking account. It details when you need to spend money on things such as inventory, rent and payroll, and when you expect to receive payments from customers and clients. For example, you may make a sale, have to buy inventory to fulfill the sale, and not collect payment from the customer for 30, 60 or 90 days. The cash flow projection takes these factors into account, helping you budget for upcoming expenses so your business doesn't run out of money.

### 4. Optional: 3-year cash flow statement

Depending on your needs and the purpose of your business plan, you may also want to include a 3-year cash flow statement. If so, develop a 3-Year Cash Flow Statement and use it to create your projections. This is a much simpler document than the 12-month cash flow statement, but can still be useful in making plans.

### 5. Projected balance sheet

A balance sheet subtracts the company's liabilities from its assets to arrive at the owner's equity. You already created an opening day balance sheet in Section 1. Now, put together a balance sheet, and create a projected balance sheet showing the estimated financial condition of your business at the end of its first year. The major difference between the two is that the projected balance sheet includes any owner's equity resulting from the business's first year in operation. Lenders and investors may want to see this projection.

6. **Break-even calculation**

The break-even analysis projects the sales volume you need in order to cover your costs. In other words, when will the business break even? Put together a breakeven template and, using your profit and loss projections, enter your expected fixed and variable costs. Adjust the categories to reflect your own business.

You can even create a couple of different break-even analyses for different scenarios. For example, your payroll costs will vary depending on whether you hire full-time employees or use independent contractors. Creating different break-even analyses can help you determine the best option.

7. **Use of capital**

If you're using the business plan to seek financing from lenders or investors, provide a breakdown of how you will use the capital and what results you expect. For example, perhaps you will use the money to buy new equipment and expect that to double your production capacity.

After reading the Financial Plan section, the reader should understand the assumptions behind your financial projections and be able to judge whether these projections are realistic.

## **IX. Instructions: Appendices**

Don't slow your readers down by cluttering your business plan with supporting documents, such as contracts or licenses. Instead, put these documents in the Appendices, and refer to them in the body of the plan so readers can find them if needed.

Below are some elements many business owners include in their Appendices.

1. Agreements (Leases, contracts, purchase orders, letters of intent, etc.)
2. Intellectual property (trademarks, licenses, patents, etc.)
3. Resumes of owners/key employees
4. Advertising/marketing materials
5. Public relations/publicity
6. Blueprints/plans
7. List of equipment
8. Market research studies
9. List of assets that can be used as collateral

You can also include any other materials that will give readers a fuller picture of your business or support the projections and assumptions you make in your plan. For instance, you might want to include photos of your proposed location, illustrations or photos of a product you are patenting, or charts showing the projected growth of your market.

After reviewing the Appendices, the reader should feel satisfied that the assumptions throughout the plan are backed up by documentation and evidence.

## **X. Instructions: Refining the Plan**

Modify your business plan for your specific needs, audience and industry. Here are some guidelines to help:

### **For Raising Capital from Bankers**

Bankers want to know that you'll be able to repay the loan. If the business plan is for bankers or other lenders, include:

- How much money you're seeking
- How you'll use the money
- How that will make your business stronger
- Requested repayment terms (number of years to repay)
- Any collateral you have and a list of all existing liens against your collateral

### **For Raising Capital from Investors**

Investors are looking for dramatic growth, and they expect to share in the rewards. If the business plan is for investors, include:

- Investment amount you need short-term
- Investment amount you'll need in two to five years
- How you'll use the money and how that will help your business grow
- Estimated return on investment
- Exit strategy for investors (buyback, sale or IPO)
- Percentage of ownership you will give investors
- Milestones or conditions you will accept
- Financial reporting you will provide to investors
- How involved investors will be on the board or in management

### **For a Manufacturing Business**

- Explain the operations involved in manufacturing your product/s.
- What equipment is needed? What are the production/capacity limits of the equipment?
- What are the production/capacity limits of the proposed physical plant?
- Is specialized labor needed?
- What raw materials do you need for manufacturing? Are there any special requirements for storing these?
- What quality control procedures will you use?
- How will you manage inventory levels?
- What is your supply chain?
- Explain any new products you're developing, or products you plan to begin developing after startup.

### **For a Service Business**

- Explain your prices and the methods used to set them.
- What systems and processes will you use for ensuring consistent delivery of services?

- What quality control procedures will you use?
- How will you measure employee productivity?
- Will you subcontract any work to other businesses? If so, what percentage of work will be subcontracted? Will you make a profit on subcontracting?
- Explain your credit, payment and collections policies and procedures.
- How will you maintain your client base and get long-term contracts?
- Explain any new services you're developing or services you plan to add after startup.
- 

### **For a Retail Business**

- List specific brands you plan to carry that will give you a competitive advantage.
- How will you manage inventory? What inventory management software will you use?
- What forms of payment will you accept? What payment processing service will you use?
- What point-of-sale software and hardware will you use?
- Explain your markup policies. Your prices should be profitable, competitive and in line with your brand.
- Initial inventory level: Find the industry average annual inventory turnover.
- Multiply your initial inventory investment by the average turnover rate. The result should be at least equal to your projected first year's cost of goods sold. If not, you may need to budget more for startup inventory.
- What are your customer service policies?
- How will you handle returns and exchanges?
- Will your retail store also have an ecommerce site, or is one planned for the future?

### **For an Ecommerce Business**

- Will you sell a physical product, a service, a digital product (such as eBooks) or some combination of these?
- If you're selling physical products, how will you brand and package them?
- Will you sell on your own website, online marketplaces (such as Amazon) or both?
- What technology providers and platforms will you use to run your ecommerce site?
  - Web hosting service
  - Web design service
  - Shopping cart provider
  - Payment processing service
  - Fulfillment & shipping services
  - Email marketing services
- Can the solutions you've chosen quickly scale up or down as needed?
- Where will you get your products? Will you manufacture them in-house, buy them from manufacturers or use drop shippers?
- How will you handle returns and exchanges?
- What are your customer service policies? How will you provide customer service?
- Will you use any proprietary technology of your own and if so, what advantages does that give you?

## **For a Software or SaaS business**

- What is your pricing structure? Will you use a free trial, “freemium” or paid business model?
- If you offer free services or a free trial option, how will you upsell customers to a payment model? What percentage of customers are expected to become paying customers?
- Have you tested your software? Are any “early adopters” already using the product?
- How will you encourage long-term contracts in order to create recurring revenues?
- How will you manage rapidly changing markets, technologies and costs?
- How will you keep your company competitive?
- Will you use in-house developers or outsource this function?
- How will you provide customer support?
- How will you retain key personnel?
- Are you using any proprietary or exclusive software that will give you a competitive edge?
- How will you protect your intellectual property?
- What additional products or updates to current products are you planning after launch?