

Prescott   
Russell

# BUSINESS PLAN GUIDE



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# TABLE OF CONTENTS

INTRODUCTION..... 2

EXECUTIVE SUMMARY ..... 4

THE BUSINESS..... 5

TARGET MARKET AND MARKETING PLAN ..... 9

COMPETITIVE ANALYSIS..... 14

GOVERNMENTAL REQUIREMENTS AND LAWS..... 17

MANAGEMENT PLAN AND STAFF ..... 18

OPERATIONS ..... 22

PERSONAL FINANCIAL SITUATION..... 24

FINANCIAL NEEDS ANALYSIS ..... 26

BUDGET DESCRIPTION..... 27

## INTRODUCTION

Here is the main information needed in a business plan:

- cover page
- executive summary
- table of content
- your business project (the business project consists of all the information you will include with this guide)

Also include a copy of the following documents as well as all other relevant information which may be necessary for the evaluation of your business proposal:

- location lease
- all licences and patents
- convention of franchises
- business registration or constitution
- company charts, shareholders' agreements, etc.
- summary of your market research
- promotional booklets and other advertising items
- summary of the proposals, costs, or estimated prices of acquisitions
- plan of land surveying or certificate of localization
- plans and estimates
- site drawings, architectural plans, etc.
- municipal land evaluations
- sales contracts, existing mortgages and offers to purchase
- summary of the costs of construction
- financial statements for the past three (3) years
- list of all loans and/or contributions (subsidies) which you have already received for this company, including dates granted, amounts received, history of repayment, and any arrears outstanding if applicable
- a *resume* for each employee

## **WRITING A BUSINESS PLAN**

The goal of this document is to guide you through the creation of your business plan. Although all business plans are different, the basic information contained in your plan will help you measure your company's progress.

A well-prepared business plan provides a clear and realistic image of your company and/or idea(s). It is a summary which describes past, current and future activities while clearly explaining your business objectives. It is a vital element when launching any venture. In fact, the business plan will determine if your company and/or idea(s) are financially and logically sound and help lenders and investors decide if your company is worth funding.

Therefore, please take your time and carefully prepare your business plan.



## THE BUSINESS

You must prepare a detailed description of the company and its functions which must include the following:

Business name:

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Applicant's name:

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Business address:

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Municipality:

Postal code:

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Phone number:

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Fax number:

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E-mail:

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Website:

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If it is an existing business, provide a brief background.

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Incorporation and structure:

\_\_\_\_\_ sole ownership

\_\_\_\_\_ partnership

\_\_\_\_\_ business corporation

\_\_\_\_\_ co-op

Date of registration:

\_\_\_\_\_-\_\_\_\_\_-\_\_

Date of registration:

\_\_\_\_\_-\_\_\_\_\_-\_\_

Date of incorporation:

\_\_\_\_\_-\_\_\_\_\_-\_\_

Date of incorporation:

\_\_\_\_\_-\_\_\_\_\_-\_\_



Describe the current economic situation within your sector (i.e. experiencing growth, recession, expansion, etc.).

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Explain why you believe your company will be successful.

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Describe your company's current attributes.

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What is your company's mission statement? (objectives/goals)

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Describe the main personnel members of your business. What is their role in the success of the company?

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Describe the financial statements which show sales projections, the expenditure and the profits for the next 2 to 3 years.

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Describe your company's financial needs. Include who will grant a loan or loans and how the funds will be used.

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# TARGET MARKET AND MARKETING PLAN

A good marketing plan consists of two parts; 1) a description of your target market and 2) a marketing plan including the 4Ps of marketing - Product, Price, Promotion/advertising and Place/location. The marketing plan will help investors/bankers determine whether or not your strategic and tactical objectives are realistic.

## TARGET MARKET

Describe your current customers and where they are located.

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Describe your potential customers and/or market.

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Describe the area and geographical size of your business sector/market.

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Describe your market.

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How many customers live in this market sector?

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Describe your market's growth potential.

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Describe your market research.

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**MARKETING**

**1) Product:**

Describe the history of your sales per product/service.

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Describe the cost(s) for producing each product and/or providing each service.

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Describe your profits for producing each product and/or providing each service.

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Describe your sales goals per product/service provided.

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Describe the characteristics which make your product(s)/service(s) better than those which your competitors offer (i.e.: personnel, single product, etc.).

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**2) Price:**

Describe the retail prices for your product(s)/service(s).

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Describe the prices according to the quantity or the hourly rate? Please provide a detailed process *résumé* of the price establishment including the cost price and your profit margin.

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Describe your discounts and credit policies.

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Describe your guarantees and after-sales service policies.

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**3) Promotion/ Advertising:**

Describe how you plan to promote your product(s)/service(s).

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Describe how you will encourage people to purchase your goods/services on your premises.

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Describe how you will measure the success of your promotional and advertising plans.

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Describe how you will attract new customers.

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Describe what you offer that no one else is offering. What makes your product(s)/service(s) unique?

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**4) Place/Location:**

Briefly describe your principal location of business:

Facilities / offices: \_\_\_\_\_

Briefly describe your main place of business: \_\_\_\_\_

Square footage of your premises: \_\_\_\_\_

Are you:

\_\_\_\_\_ the owner      Date of purchase/lease: \_\_\_\_\_

\_\_\_\_\_ a tenant      Zoning: \_\_\_\_\_

\_\_\_\_\_ a tenant      Lease expiry date: \_\_\_\_\_

\_\_\_\_\_ a tenant      Cost per square foot: \_\_\_\_\_

Describe the advantages of this location.

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Describe your proximity to your market and suppliers.

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Describe the characteristics of this location.

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Do your business intentions include construction of a new building? If so, include the images and/or architectural plans.

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# COMPETITIVE ANALYSIS

The competitive analysis of your company is also an important step. It should clearly and honestly outline the differences and similarities between your company and your competitors' business, including their strengths, as well as their weaknesses. Potential investors/lenders want to see if other companies are already profitable and experiencing success in your market.

Describe the competition in your market.

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Competitors' Names	Municipality	Year established
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Describe how large they are in comparison to your company.

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Describe how they are similar to your company.

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Describe how they are different from your company.

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Describe their strengths. Explain why people purchase *their* products/services.

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Describe their weaknesses and what/how you can do better.

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Describe the effect, both positive and negative, that your company will have on existing businesses in your community.

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What are your strengths and weaknesses in comparison to your competitors?

	Strength	Weakness
Price	_____	_____
Quality	_____	_____
Customer service/sales	_____	_____
Advertising/promotion	_____	_____
Location	_____	_____
Others (specify)	_____	

Explain why your customers will prefer your product(s)/service(s) rather than those of your competitors?

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# GOVERNMENTAL REQUIREMENTS AND LAWS

What are the governmental payments, licences and/or insurance required in the launching of your business and what steps have you taken to obtain them?

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Does your product(s) and/or service(s) respect environmental protection regulations?

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Do you hold a patent or a licence for your product(s) and/or service(s)?

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**PERSONAL INFORMATION**

Last name: \_\_\_\_\_

Firstname: \_\_\_\_\_

Date of birth: \_\_\_\_\_

S.I.N.:        -- \_\_\_\_\_

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

Municipality: \_\_\_\_\_ Postal code: \_\_\_\_\_

Homephone: \_\_\_\_\_ Work phone: \_\_\_\_\_

\_\_\_\_ Owner

\_\_\_\_ Tenant                   Monthly rent: \$ \_\_\_\_\_

How long have you lived at this address? \_\_\_\_\_

List home addresses for past three (3) years:

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

Your role in this company: \_\_\_\_\_

Highest Level of education: \_\_\_\_\_

Professional experience:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Your employment in this company will be    \_\_\_\_ full-time            \_\_\_\_ part-time

Have you ever owned a business?        \_\_\_\_ Yes                    \_\_\_\_ No

If yes, please explain:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**EMPLOYMENT HISTORY**

Name of employer: \_\_\_\_\_  
Phone: \_\_\_\_\_ Address: \_\_\_\_\_  
Position/title: \_\_\_\_\_ Gross annual income: \$ \_\_\_\_\_  
Responsibilities: \_\_\_\_\_  
Term of employment: from \_\_\_\_\_ to \_\_\_\_\_  
Why did you leave this employer? \_\_\_\_\_

Name of employer: \_\_\_\_\_  
Phone: \_\_\_\_\_ Address: \_\_\_\_\_  
Position/title: \_\_\_\_\_ Gross annual income: \$ \_\_\_\_\_  
Responsibilities: \_\_\_\_\_  
Term of employment: from \_\_\_\_\_ to \_\_\_\_\_  
Why did you leave this employer? \_\_\_\_\_

Name of employer: \_\_\_\_\_  
Phone: \_\_\_\_\_ Address: \_\_\_\_\_  
Position/title: \_\_\_\_\_ Gross annual income: \$ \_\_\_\_\_  
Responsibilities: \_\_\_\_\_  
Term of employment: from \_\_\_\_\_ to \_\_\_\_\_  
Why did you leave this employer? \_\_\_\_\_

**EMPLOYEES**

Describe your company's team.

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

Describe your employees (part-time, full-time and their wages, positions, etc).

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

Describe all relevant experience each team member brings to the company.

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**MAIN LEADERS**

Lastname: \_\_\_\_\_ First name: \_\_\_\_\_

Position in the company: \_\_\_\_\_

Experience and skills: \_\_\_\_\_

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Lastname: \_\_\_\_\_ First name: \_\_\_\_\_

Position in the company: \_\_\_\_\_

Experience and skills: \_\_\_\_\_

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Lastname: \_\_\_\_\_ First name: \_\_\_\_\_

Position in the company: \_\_\_\_\_

Experience and skills: \_\_\_\_\_

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**EXTERNAL COLLABORATORS TO THE COMPANY**

	Name of collaborator or firm	Phone
Lawyer	_____	_____
Banker	_____	_____
Accountant	_____	_____
Insurance broker	_____	_____
Others (specify)	_____	_____
	_____	_____

# OPERATIONS

The operational plan describes the way you will manage the company. You should be able to describe your product(s) and/or service(s), the delivery process, the inventory and the quality of the production as well as any ideas for research and development.

Describe how you will offer and deliver your product(s) and/or service(s).

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Describe the production process.

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Describe the inventory which you will maintain on site and its value.

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Describe your insurance requirements and their cost.

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Describe how you will maintain the quality of your product(s) and/or service(s).

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Describe your operating hours of business and how many hours you will be working.

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**SUPPLIERS**

Who are your main suppliers?

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Describe the credit terms arrangements with your suppliers.

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Can you change suppliers quickly and easily?

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# PERSONAL FINANCIAL SITUATION

Personal financial study on \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ (Insert date)

## ASSETS (securities and properties)

Cash	\$ _____	
Liquid assets (stocks, bonds, etc.)	\$ _____	
Automobile(s) (current value)	\$ _____	
Real estate (total present value)	\$ _____	
<b>TOTAL ASSETS</b>		<b>\$ _____</b>

## LIABILITIES (financial commitments)

Mortgage(s) owing	\$ _____	
Personal loan (total outstanding)	\$ _____	
Personal line of credit (total outstanding)	\$ _____	
Credit card(s) owing	\$ _____	
<b>TOTAL LIABILITIES</b>		<b>\$ _____</b>

**Net worth (total assets minus total liabilities):** **\$ \_\_\_\_\_**

Have you ever guaranteed loans for a third person?  Yes  No

Details, amounts included:

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Are you in any form of legal proceedings?  Yes  No

Details, amounts included:

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Have you declared bankruptcy in the past?

\_\_\_\_ Yes

\_\_\_\_ No

Details (year, trustee, amount, reason):

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State all your sources of monthly income as well as the amounts.

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# FINANCIAL NEEDS ANALYSIS

## Funding Description

The last element of a business plan is the description of what you will do with the money you are requesting and how these funds will be used. Potential investors or the sources of financing want to be certain that the funds will be used in a suitable way.

Describe if the company has already received financing and all the details relating to this loan.

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Describe the project for which you require financial assistance.

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List the main expenditures you must assume:

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## INFORMATION ON LOAN/CREDIT

Bank loan -- name of bank: _____	\$ _____
Prescott-Russell Community Development Corporation	\$ _____
Line of credit -- financial institution: _____	\$ _____
Other funds (specify) _____	\$ _____
<b>TOTAL FUNDS AVAILABLE</b>	<b>\$ _____</b>

## BUDGET DESCRIPTION

### Description of cash flow items

Cash sales	Enter your projected monthly cash sales for the next 12 months.
Accounts receivable	For each month, enter payments received on accounts receivable.
Cash equity contribution	Enter the amount of cash payments to be made by the owners.
Bank loan	Enter the amount of money to be disbursed as the result of your bank loan disbursement.
PRCDC loan	Enter the amount of money to be received as the result of your Prescott-Russell Community Development Corporation loan.
Other receipts	Enter all other projected cash receipts for each of the next 12 months (e.g.: grants).
Total cash receipts	Add up all the amounts in this section to obtain your total cash receipts for each month.
Disbursements related to sales	Enter the value of all disbursements related to the sale of your product(s) or service(s).
Disbursements related to administration	Enter the value of all disbursements related to administration.
Disbursements related to financing	Enter the amount of all interest and bank charges related to current loans, interest on long-term debt and projected capital repayments.
Other operating disbursements	Enter the value of all other operating expenses.
Total disbursements	Add up all the amounts in this section to obtain your total cash disbursements for each month.
Cash surplus of deficit	For each month, subtract the total cash disbursements from the total cash receipts to obtain the amount of the cash surplus or deficit.
Opening balance	For each month, enter the amount of your opening cash.
Closing balance	For each month, enter the amount of your closing cash. This figure is obtained by applying each month's cash surplus or deficit to the opening cash. One month's closing cash becomes the next month's opening cash.

## Description of income statement items

Sales	On line A, enter the total amount of sales for the period in question.
Cost of goods sold	For a manufacturing company: calculate the cost of goods sold by adding the beginning inventory, purchases, direct labour costs, factory overhead and depreciation. Then subtract the ending inventory from that total. Enter the cost of goods sold on line B.
Gross profit	For a retail company: the cost of goods sold is calculated by adding the beginning inventory to purchases and subtracting the ending inventory. Enter the cost of goods sold on line B. For a service company: there is no cost of goods sold.
Selling expenses	To obtain your gross profit on line C, subtract the cost of goods sold from the amount of sales ( $A-B=C$ ). Enter total costs related to the sale of your product or service and enter the total on line D.
Administration expenses	Enter total administrative expenses and enter the total on line E.
Financing costs	Enter total interest expenses and other bank charges on your current loans and enter the interest on your long-term debt.
Other operating expenses	Enter all other operating expenses.
Depreciation	Enter the amount of depreciation that applies to the period in question.
Total expenses	Enter the total of your financing costs, other operating expenses and depreciation on line F. To obtain your total expenses on line G, add lines D + E + F ( $D+E+F=G$ ).
Net income before taxes	To obtain your net income before taxes on line H, subtract total expenses from your gross profit ( $C-G=H$ ).
Taxes	Enter the amount of taxes payable on line I, based on your best estimate.
Net income after taxes	To obtain your net income after taxes on line J, subtract the tax amount from your net income before taxes ( $H-I=J$ ).

## About the Publication

We would like to thank the Entrepreneurship Centre who has developed this publication.



The mandate of the Prescott and Russell Economic Development and Tourism (PREDT) is to create and maintain an enabling environment for regional economic development initiatives by working with hundreds of stakeholders from the various economic sectors of the region. Our primary industry is agriculture and affects various sectors such as: transport/warehousing and logistics, manufacturing, tourism and culture/leisure. The goal that guides long-term development in Prescott and Russell is to encourage new opportunities and economic collaborations that are based on convergence, creativity and talent.

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