

New CSP: suggestions for a Business Plan outline

(Core headings & content taken from WSU Small Business Dev Center's template for a Business Plan)

BUSINESS PLAN OUTLINE

- **Table of Contents**
Develop one page showing the topics and page references.
- **Executive Summary**
The Company
 - What type of business (CSP & services) do you own or propose to own/run?
 - What is the current stage of development (start-up, expansion)?
 - What is unique about your service?
- **Keys to Success:**
 - What will be the critical keys to success for your business/services?
- **Statement of Funding Summary**
 - Summarize the financial projections. (Include start-up expenses, yearly gross profits, net profits, break-even, return on investment, and cash flows.)
- **Description of Business**
Company Ownership
 - Who are the principals and what are their proportions of ownership?
 - How is the business structured (corp., LLC, etc.)?
 - What is the current status or projected opening?
- **Description of Product/Service**
 - Describe your services(s).
 - Discuss any opportunities for the expansion of services.
 - Do you have letters of intent or commitments from people willing to be staff for your agency?
- **Company Location and Facilities**
 - What is your proposed location and why did you choose it?
 - Will the building be rented, leased, or owned?
 - What are the terms of the contract? (Include copies of supporting documents in the appendix.)
 - What renovations will be needed and at what cost? How will they impact your lease? (Include quotes in appendix.)
 - How much can your business expand before you will be forced to move or add on to the present building?
 - What equipment and furnishings will you need (i.e. desks, chairs, computer hardware and software, etc.)
 - Where will locked files/information be kept?
- **Licenses/Permits/Regulations**
 - What licenses or permits are you required to obtain? How long does it take to get them?
 - Do you have a registered trademark for the name of your company? (Include supporting documents in the appendix.)
 - Is your business affected by zoning, ADA, OSHA, Fire Marshall regulations?
- **Insurance/Bonding**
 - Describe the insurance coverage (i.e. liability, property, workers compensation, etc.) you have to protect both the company and yourself

- Will you/your employees need to be bonded?
- Will your company provide employee benefits for you and/or your employees? Explain, and include copies of supporting documents in the appendix.
- **Start-Up Costs**
 - Create an itemized list of anticipated start-up costs.
- **Market Analysis**
 - Target Market and Demographics**
 - Who are your potential consumers?
 - What is your geographic market area? How many potential customers are in your market? Document the sources of your estimates.
 - Identify potential market segments. List potential consumers, if you know this.
 - What percent of the market do you have now? How much do you think you will have in the future? Document the sources of your estimates.
 - What will influence the choice decisions of your consumers: quality, service, personal contacts, or some combination of these factors?
 - **Competitive Analysis**
 - Define the current advantages and disadvantages of your major competitors' services. Get to know the competitors' services by calling, sending someone to the agency to see /discuss services, looking at their advertising, etc.
 - Who is the Director of Services manager/leader?
 - Identify substitute services.
 - What is the trend in the business/industry? (Are revenues growing, stable, or in decline?)
 - **Competitive Edge**
 - What makes your service unique?
 - What features or services will you offer that will justify your price compared to competitors' prices?
 - How will you attract and keep your share of the market?
 - Explain all that apply: customer service, convenience, product quality, price, location, promotion, Persuasion personal selling, distribution, accept credit cards/checks, extend credit. What is your credit policy and payment terms?
 - What are your service policies?
 - **Sales Forecast**
 - Describe the potential annual growth of the total market.
 - Total market projections should be made for at least three years.
 - Discuss the major factors affecting growth (waiting lists; etc...).
 - Chart monthly sales forecasted (by market segments) for the first year and annual summaries for the second and third.
- **Marketing Strategy and Implementation**
 - Marketing Plan**
 - Promotion Strategy**
 - Explain the methods the company will use to appeal to the consumers (i.e. TV, radio, journals and magazines, direct mailing, CDDO, etc.)
 - Describe the promotional literature, brochures, and promotional items proposed or developed.
 - What are your marketing tactics (i.e. community involvement, association memberships, customer database, media relations, special events, etc.)?
 - If the company decides to use the services of an advertising agency, describe what the agency will be doing and the costs involved.
- **Pricing Strategy**

- Present your pricing strategy for any non HCBS services.
 - Present why this strategy will enable you to market your services, maintain and increase market share in the face of competition.
 - Compare your services/pricing policy with those of your major competitors.
 - If the price is higher than the competition, justify it on the basis of newness, quality, warranty, and/or service.
 - If the price is lower than competition, explain why and how you will maintain profitability (lower Manufacturing or labor costs, lower overhead, lower material costs, greater effectiveness, etc.)
 - Describe any discount allowance for prompt payment or volume purchases.
- ***Distribution and Sales***
 - Describe the methods (internal sales force, sales representatives, distributors, etc.) that your company will use to make sales and distribute the product or service (initial and long term).
 - If a direct sales force is to be used, indicate how it will be structured and at what rate it will be built up.
 - Discuss the margin that will be given to salespeople, wholesalers, and retailers. Compare the methods and margins with the ones used by the competition.
 - Prepare a table indicating the build up of dealers and representatives by month and expected sales to be made by each dealer or rep.
- ***Strategic Alliances***
 - Explain your strategic alliances, such as co-marketing, co-development, commission and cooperative arrangements.
 - Is your fate tied to that of any other company?
 - Can you link your promotion or distribution strategies to another company, or companies?
- **Human Resources**
 - Management Summary***
 - List the members of the management team and summarize their experience. Describe their functions with the business. Include resumes in the appendix.
 - Note management gaps and weaknesses and specify how they will be corrected.
 - List by name and firm the professionals you will engage to assist with management functions (i.e. lawyer, accountant, outside consultant, etc.)
 - Who is on your board of directors and what do they contribute to the business? Who are your major stockholders and what is their role in management?
 - Who will be your Director of Services; who will do Medicaid billings; etc....
- ***Organizational Structure***
 - Describe your organizational structure and include a brief description of who does what. Include an Organizational chart if necessary.
 - List proposed salaries and wages. Are they consistent with industry norms?
 - If you will be using independent contractors, have you discussed this with the Kansas Department of Revenue and/or the IRS to make sure they are not considered employees?
 - Describe the local labor market in terms of local unemployment rates, education, background and experience. Where will you find your new employees?
- ***Personnel Plan***
 - List titles or title groups of all personnel.
 - Chart three years of projected costs for personnel (salary and benefits) Include the addition of new personnel with business growth as well as pay increases.
- **Financial Plan**
 - Important Assumptions***
 - List important assumptions that have an effect on your projections such as: short/long term interest rates, estimated payment/collection days, inventory turnover, income tax rate, percent costs for personnel benefits, sales on credit, expenses in cash, etc.

- ***Break-Even Analysis***
 - Provide figures for fixed costs, unit price, and unit variable costs, and indicate the level of sales where Your gross profit equals your operational costs.
 - Include explanations and assumptions.

- ***Projected Profit and Loss***
 - Detail by month for the first year.
 - Provide yearly summaries for the second and third years.
 - Existing businesses should supply year-end P&L statements for the past three years.
 - Include explanations and assumptions.

- ***Projected Cash Flow***
 - Detail by month for the first year.
 - Provide yearly summaries for the second and third years.
 - Include explanations and assumptions.

- ***Projected Balance Sheet***
 - Detail your start up-costs or include balance sheets and/or tax returns for the previous three years and a Current balance sheet and income statement.
 - Give detailed projections of your assets, liabilities, and capital for the first year.
 - For an existing business, include a capital equipment list, complete with purchase price and depreciated values, a detailed inventory listing with unit prices included, and a list of aged accounts receivable and accounts payable.

- ***Business Ratios***
 - Profitability Ratios
 - Activity Ratios
 - Liquidity Ratios
 - Other Relevant Ratios

Appendix

- Personal Resumes for all principals, partners and officers.
- Personal financial statements for all principals, partners, and anyone owning 15% or more of the company.
- Letters of intent from prospective suppliers or customers.
- Copies of all licenses, permits, leases, insurance policies, Contracts, agreements, deeds, certificates and other legal documents.
- Visuals of your business or products (i.e. photos of your product or of the exterior/interior of store or plant)

Checklist of Sections Completed

- COVER
- TABLE OF CONTENTS
- EXECUTIVE SUMMARY
- DESCRIPTION OF BUSINESS
- MARKET ANALYSIS
- MARKETING STRATEGY AND IMPLEMENTATION
- HUMAN RESOURCES
- FINANCIAL PLAN
- APPENDIX OF SUPPORTING DOCUMENTS