

## Business Plan Outline

### I. Cover Sheet

Business Name and Address  
Name, Address, Email and Telephone of Owner  
Web Site

### II. Table of Contents

### III. Executive Summary

The Executive Summary is a condensed version of the entire plan. It must convince the reader to read the rest of the plan. Make sure that it is no more than one page. This should be written last, after the rest of the plan is finalized, including the financial data.

### IV. The Business

#### A. Description of the Business

Briefly describe the company.

#### B. Product/Services

Explain the product or service; include any unique characteristics or benefits.

#### C. Marketing Plan

This should be the most detailed section; specifically defining your market, your niche, why there is a need for your product or service, how you plan to position the product or service, and growth potential. It should include a list of marketing activities that you plan for the next year.

#### D. Competition

Profile your competition and describe the advantages of your product or service.

#### E. Operations

What resources and processes are necessary to get the product or service to market?

#### F. Management and Personnel

Describe the experience and background of the management team, including your personnel needs and skills.

### V. Financial Data

The financial information that bankers will want to see are balance sheets, income statements, and cash flow analysis. Examples are on our web site [www.nemassachusetts.score.org](http://www.nemassachusetts.score.org).

**Balance Sheet** – The company at a point in time that shows what you own and owe.

**Profit and Loss Statement** – P&L shows the financial health over a period of time.

**Cash Flow Analysis** – What cash comes in and goes out, month by month.

### VI. Supporting Documents

This section should include documents to support the body of your business plan. Resumes, credit information, leases are among several documents to include in this section and are determined by the information contained in the body of the business plan.





## 13 Essential Steps in Establishing a New Business

- 1.[ ] Settle on a business name, preferably one that identifies what you do (“cleanerwindows.com” is preferable to “Joan and Jim’s”). Test your name ideas and web domain availability (including internationally) using [www.godaddy.com](http://www.godaddy.com), [www.wix.com](http://www.wix.com), [www.1and1.com](http://www.1and1.com), [www.wordpress.com](http://www.wordpress.com), [www.squarespace.com](http://www.squarespace.com), etc. Test your name among friends. Once selected, rent the rights to domain name for at least 12 months (price varies). Hosting domain and email typically is no more than \$5/month.
- 2.[ ] Initially you’ll probably want to organize your for profit business as either a Sole Proprietor aka “dba” (doing business as), a Partnership or a LLC (Limited Liability Corporation) depending on the nature of your business, its liability exposure and your personal circumstances. There are several informative descriptive websites. Most start-up businesses will not benefit from the more complex “S” or “C” type of Corporations. Search the web informative articles on the differences between these different business structures. Select one before you register your business.
- 3.[ ] Obtain a Federal Tax ID called an EIN (Employment Identity Number). This is FREE from the IRS (don’t be charged by scammers). Use [www.IRS.gov](http://www.IRS.gov).
- 4.[ ] Register with the Massachusetts Dept of Revenue (DOR). Again, this is FREE from the Mass DOR. Use <http://www.mass.gov/dor/businesses/>
- 5.[ ] Register business name and address at your City Hall. If you have a partner(s) and registering as a dba, select one partner’s address. If you are planning on operating out of your home, be prepared for questions on whether your business will generate excessive traffic, parking issues, etc. in your neighborhood. Typically \$50 fee.
- 6.[ ] Open a checking account and credit card in the company name. Try your existing personal bank – they already know you – or a local bank. Use only for *all* business expenses. Keep a record of business expenses and vehicle mileage. Save your receipts. Expenses are tax deductible thus will reduce your taxable income.
- 7.[ ] Set up a bookkeeping system. Initially you can use Excel or an accounting program such as Quicken Home & Business (about \$50). As your business becomes more complex, you will want to upgrade to QuickBooks (or equivalent). Costs about \$275. Note, when you start to use QuickBooks, it is worthwhile to hire a bookkeeper to initially set-up your QuickBooks format and those accounts applicable to your business. Money well spent.
- 8.[ ] If you and/or partner *own* your own home, register them with the Homestead Act at your county Registry of Deeds for up to \$500K protection against creditors. Search the web for Massachusetts Homestead Act.
- 9.[ ] If you have partner(s), SIGN a partnership agreement BEFORE you earn your first dollar. Samples and forms are available on-line to promote your discussions. Note: a 50-50 partnership provides **no** resolution for disagreements. We recommend at least a 51-49 split. Execute and sign final document with a lawyer.
- 10.[ ] Prepare a Business Plan and Financial Statement including cash flow. Talk to Score for guidance.
- 11.[ ] Insurance. Assess your potential liability exposure to customers, vendors and employees with a small business insurance specialist to sort through which policies apply to your circumstances. Home or personal insurance policies, including umbrellas, usually do *not* provide business liability coverage. Check with your agent.
- 12.[ ] Eventually you’ll need a fee based (charge by the hour) lawyer and accountant. Interview several and look for prior small business/start up experience. Local Chamber of Commerce can help identify candidates.  
  
Lessen your initial fees by organizing your records ahead of time - income and expense receipts, legal documents, partnership agreements, etc.
- 13.[ ] Use SCORE for continuing advice at *for the life of your business*.