**BUSINESS PLAN TEMPLATE**



**Official template for the Liftoff Houston Business Plan Competition 2020**



**START-UP BUSINESS PLAN COMPETITION 2020**

Greetings from Liftoff Houston,

This is the template you **must** use to design and develop your business plan. Unless stated, each element in the template is **required**. It is in word format for you so you can insert your information here instead of using a separate word document. This is an instructional page therefore this page should not be included within your business plan. **Deadline for submission is October 09, 2020 at 2:00 PM. Business plans submitted after the deadline will not be accepted.**

**[Business Plan Format]**

1. The business plan should be no longer than **25** pages including supporting documents.

2. Page format guidelines:

 Margins: .5” all around

 Line Spacing: 0pt, Single

 Font: Calibri, 11 point

 Footer: Include Business Name and Page Number except on the cover sheet

3. **Financial Document:** Download and use the Cash Flow Projections Template at [liftoffhouston.smapply.org](https://liftoffhouston.smapply.org/), under the pages tab, on the top right side of the webpage.

4. **Submission Format:** Business plans should be submitted in PDF format including supporting documents. (The

Library has computer labs that can help you convert documents into PDF.)

5. **Submission Destination:** Business plans will be submitted only to [liftoffhouston.smapply.org](https://liftoffhouston.smapply.org/) under the “Submit Business Plan” task on your dashboard.

6. We understand inserting the financials is difficult in this document therefore we are exploring a simpler method of including financial data in your business plan. Liftoff Houston will send you updates when it is confirmed.

**[1. Cover sheet]**

[Logo (if you have one)]

**Business Name**

Owners

Date

Liftoff Houston Business Plan Submission

Address

City, State ZIP Code

Telephone

E-Mail

**[2. Executive Summary]**

**[Write this section last]**

We require this to be only one page.

Include everything that you would cover in a five-minute pitch/interview. Explain the fundamentals of the proposed business:

 What is your product (benefits and features)?

 Who is your target customer?

 Why will they choose your product(s)?

 Why will you succeed with this business?

 What do you think the future holds for your business and your industry?

 Who are the owners and how is their background relevant to this business?

Make it enthusiastic, professional, complete, and concise.

If applying for a loan or the cash prize, state clearly how much you want, precisely how you are going to use it, and how the money will make your business more profitable, thereby ensuring repayment.

|  |  |  |  |
| --- | --- | --- | --- |
|  | | **[3. Table of Contents]** |  |
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5. Marketing

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d. **Optional** Sections – Balance Sheet, Income Statement) 15 e. Prize Utilization Itemization 16

7. Supporting Documents 17-20

**All sections listed are REQUIRED, unless otherwise noted.**

**[4. Business Description]**

**Overview**:

 What business will you be in? What will you do?

 To whom will you market your products?

 What is important to you in business?

 What is your competitive advantage (your most important company strengths and core competencies)?

 What background experience, skills, and strengths do you personally bring to this new venture?

 What are your plans for this business? Growth? If so, at what rate and how will you achieve it?

**What is your Mission**: What is your reason for being and your guiding principles (Explain in 30 words or less)?

**What are your Goals and Objectives?** Goals are the destination - where you want your business to be? Objectives are measurable sign posts; e.g., annual sales targets or some specific measures of customer satisfaction).

**What Legal form of ownership have you selected?** Examples: Sole proprietor, Partnership, Corporation, Limited liability corporation (LLC)? Why have you selected this form?

**Who will the Owners be?** What experience do those persons bring to the business?

Who will **manage the business** on a day-to-day basis? How are they **organized**?

**Optional Sections**

 **Personnel:** Number of employees; Type of labor (skilled, unskilled, and professional); Pay structure; for certain functions, will you use contract workers in addition to employees?

 Facilities Description:

 Intellectual property:

 **Company history**: Years in business, previous owners, successes, failures, lessons learned, reputation in community, sales and profit history, number of employees, and events that affected success. Discuss significant past problems and how you solved and survived them.

 **Significant challenges the company faces now or could face in the near future**: If you are asking for funding, go on to explain how the new capital will help you meet these challenges.

 **Professional and Advisory Support:** Your team of advisors you will be using throughout your business. This team is comprised of contractors that will work with your business. This strengthens the confidence of your business plan by displaying the approval and collaboration of professional experts. (Ex: attorney, accountant, insurance agent, banker, consultants, mentors, and key advisors.)

**[5. Marketing]**

Describe your Product or Services from your customers’ point of view, i.e., benefits first then the features.

 List all your major products or services. For each product or service:

o Answer the Question- “**What problem is it solving that currently is not being addressed?**”

o Describe the benefits. That is, what will the product do for the customer?

o Describe the most important features. What is special about it?

o Answer the Question – “**Why will someone buy from me and not my competitors?**”

Note the difference between features and benefits, and think about them.

 For example, a house that provides shelter and lasts a long time is made with certain materials and to a certain design; those are its features.

 Its benefits include pride of ownership, financial security, providing for the family, and inclusion in a neighborhood.

 You build features into your product so that you can sell the benefits. Many times, benefits include the after-sale services you will you offer; e.g., delivery, warranty, service contracts, support, follow-up, and refund policy.

**What are the facts about your industry?**

 Total size of your market?

 Current demand in target market?

 Trends in target market—growth, consumer preferences, product development?

 Growth potential and opportunity for a business of your size?

 Barriers to entry do you face in entering this market with your new company?

 Effects of the following changes on your company?

o Technology; Government regulations; Economy; In your industry

**What is your Niche?**

 In one short paragraph, define your niche (your unique corner of the market)

 What percent share of the market will you have? (This is important only if you think you will be a major factor in the market.)

 Who are your targeted customers, their characteristics, and their geographic locations?

**What is your competitive advantage?**

 What products and companies will compete with you? (List your major competitors)

 Will they compete with you across the board, or just for certain products, certain customers, or in certain locations?

 Will you have important indirect competitors? (How will your products or services compare with the competition?)

 What are your competitive advantages and disadvantages compared to your main competitors?

**Marketing Strategies**

**Selling Strategy and Distribution Channels:**

How do you sell your products or services? E.g., Online, brick and mortar, both? Wholesale or retail? Own sales force or contract?

**Location Strategy if necessary:** If you are going to have a brick and mortar location, describe first

 Why do you need a physical location?

 Will it be located near your competitors (like car dealers or fast food restaurants) or distant (like convenience food stores)?

 What will it look like? (Describe the locations of production, sales, storage areas, and buildings).

 Will customers have easy access to your buildings? (walk in, parking, freeway, airport, railroad, and shipping).

 Will it meet your customers’ expectations?

 Will you lease or own your premises?

 What are your business hours?

 *If you are trying to get an expansion loan, include a drawing or layout of your proposed facility.*

 *Cost: Estimate your occupation expenses, including rent, but also including maintenance, utilities, insurance, and initial remodeling costs to make the space suit your needs. These numbers will become part of your financial plan.*

**Pricing Strategy**

 What is your method or methods of setting prices?

 Does your pricing strategy fit with what was revealed in your competitive analysis?

 How do your prices compare with those of the competition? Higher? Lower? Why?

 How important is price as a competitive factor? (Do your intended customers make their purchase decisions mostly on price?)

 What will be your customer service and credit policies?

**Buying Strategy**

 Who are your key suppliers for each major product?

 What are their Credit and delivery policies (e.g., will they allow consignment or extend credit?)

 How long have they been in business? Are they reliable?

**Promotion Strategy**

 How will you get the word out to customers?

 What image do you want to project? How do you want customers to see you?

 Are you planning to use paid advertising? What media, why, and how often? Why this mix and not some other?

 Have you identified low-cost methods to get the most out of your promotional budget? Examples: trade shows, presentations, blogs, social media, dealer incentives, word of mouth (how will you stimulate it?), and network of friends or professionals.

**Promotional Budget:** How much will you spend on the items listed above?

**Sales Forecast**

Now that you have described your products, services, customers, markets, and marketing plans in detail, it’s time to attach some numbers to your plan. The forecast should be based on your historical sales, the marketing strategies that you have just described, your market research, and industry data, if available.

**[6. Financial Data]**

**A. Startup Costs**

|  |  |
| --- | --- |
| Building / Real Estate | $ - |
| Leasehold Improvements | - |
| Capital Equipment | - |
| Location / Admin Expenses | - |
| Opening Inventory | - |
| Advertising / Promo Expenses | - |
| Other Expenses | - |
| Contingency Fund | - |
| Working Capital Reserve | - |
| **Total Startup Expenses** | $ - |

**Capital Equipment List:** List of all business equipment the company owns or plans to purchase, including cost and current value.

**B. Sources and Applications of Funding**

Explain how the business is being financed and planned uses for new equity investment and debt. If you intend using this plan to present to lenders, include:

 Amount of loan

 How the funds will be used

 What this will accomplish—how will it make the business stronger?

 Requested repayment terms (number of years to repay). You will probably not have much negotiating room on interest rate but may be able to negotiate a longer repayment term, which will help cash flow.

**C. Cash Flow Projections** (Use the attached Excel template)

 Statement of projected cash received from sales and other sources minus actual cash outlays.

 Three-year projection: monthly for the first year, annual thereafter.

 Include explanation of assumptions used in preparing the projection.

 If already in business, provide last year of history as a basis for the forecast.

**D. Balance Sheet:** Current statement of the business’s assets and liabilities

**F. Income Projections**

**G. Financial History**

 For existing businesses, include balance sheets, income statements, and tax returns for the last three years.

 Include a debt schedule in the following format for each note payable on your most recent balance sheet.

 If primary owners own or have owned another business include the same information for that business.

**H. Utilization of Cash Prize:** In the excel table provided below describe how you would utilize the $10,000 prize money in an itemized list. This allows the judges to see how and if you are fiscally responsible. **We have given an example of how a $10,000 itemization could look. Use this excel template.**

**Cash Flow Projections**

Enter Company Name Here **Fiscal Year Begins:**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Pr e -Star tup**  **EST** | **Jan-14** | **Fe b-14** | **M ar -14** | **Apr -14** | **M ay-14** | **Jun-14** | **Jul-14** | **Aug-14** | **Se p-14** | **Oct-14** | **Nov-14** | **De c-14** |
| **Cas h on Hand (be ginning of m onth)** |  | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
|  | | | | | | | | | | | | | |
| **CASH RECEIPTS** | | | | | | | | | | | | | |
| Number of  Customers |  |  |  |  |  |  |  |  |  |  |  |  |  |
| A verage sales $/customer |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Cash Sales |  | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Income |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Loan/ other cash inj. |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **TOTAL CASH RECEIPTS** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total Cas h Available**  **(be for e cas h out)** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
|  | | | | | | | | | | | | | |
| **CASH PAID OUT** | | | | | | | | | | | | | |
| Purchases (as % of cash sales) |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other Purchases (specif y) |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Wages |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Outside services |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Supplies |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Repairs & maintenance |  |  |  |  |  |  |  |  |  |  |  |  |  |
| A dvertising |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Car, delivery & travel |  |  |  |  |  |  |  |  |  |  |  |  |  |
| A ccounting & legal |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Rent |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Telephone |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Utilities |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Insurance |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Taxes (real estate, etc.) |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Interest |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other expenses (specif y) |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Miscellaneous |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **SUBTOTAL** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Loan principal payment |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Capital purchase (specif y) |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Initial Inventory and increase to keep up w ith sales grow th |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other startup costs |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Reserve and/or Escrow |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Ow ners' Withdraw al |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **TOTAL CASH PAID OUT** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Cas h Pos ition (e nd of m onth)** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

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**Utilization of Cash Prize (REQUIRED)- Below is an example**

|  |  |  |  |
| --- | --- | --- | --- |
| **Category Expense Seller Cost** | | | |
| **Utilities** | **Expenses** |  |  |
|  | GoDaddy Doma i n Registration | GoDaddy.com | 39.32 |
|  | USPS Post Office Box 1yr Rental | USPS | 56.00 |
|  | Office Space Rental Depos i t | Meridian Virtual Offices | 265.31 |
|  | Website Hosting | Square Space | 110.00 |
|  | Website development | Deleon Enterprise s e | 1,000.00 |
|  |  | **Total** | **1,470.63** |
| **Education & Training** | **Expenses** |  |  |
|  | Business Books | Barnes & Noble | 64.70 |
|  | Small Business Marketing Class | UH SBDC | 50.00 |
|  |  | **Total** | **114.70** |
| **Equipment & Supplies** | **Expenses** |  |  |
|  | Office Equipment (Pa per, Pens, Folders, dry eras e board) | Office Depot | 80.00 |
|  | Externa l hard drive 1TB | Office Depot | 80.00 |
|  | Col or Printer | Sta pl es | 101.19 |
|  | Chai rs (2) | Amazon | 557.24 |
|  | Projector | Overs tock.com | 103.81 |
|  | i Pa d Ta bl et and accessories | Appl e Store | 760.88 |
|  | Depos i t for porta bl e heat oven | Kitchen Co. LLC | 2,000.00 |
|  |  | **Total** | **3,683.12** |
| **Inventory** | **Expenses** |  |  |
|  | Pre-ma de frozen Pizzas x 100 | HEB | 400.00 |
|  |  | **Total** | **400.00** |
| **Legal** | **Expenses** |  |  |
|  | Busi ness Lunch w/ Texas Bi z Co. | Texas Bi z Co. | 56.00 |
|  | LLC State Registration Fees | Texas Secretary of State | 300.00 |
|  |  | **Total** | **356.00** |
| **Payroll** | **Expenses** |  |  |
|  | Administrative a i d- one-month contract | Jennifer Tyler | 2,000.00 |
|  |  | **Total** | **2,000.00** |
| **Marketing** | **Expenses** |  |  |
|  | Custom Ta bl e Cloth | Pop Shop Houston | 43.30 |
|  | Admission two tickets to 2014 Houston Busi ness Expo | 2014 Women's Expo | 50.00 |
|  | Amazon - Focus Group Materia l s | Amazon | 1,669.99 |
|  | Event Photography & Retouched Photos | Ken Photography LLC | 200.00 |
|  |  | **Total** | **1,963.29** |
| **Working Capital** | **Expenses** |  |  |
|  | Miscellaneous (This shouldn’t have a lot of money) | **Total** | **12.26** |
| **Grand Total** |  |  |  |
|  |  | **Total** | **10,000.00** |
|  |  |  |  |

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**[7. Supporting Documents]**

Personal financial statements for each owner and major stockholder, showing assets and liabilities held outside the business and personal net worth.

Personal resumes for owners and key personnel

Letters of reference

Letters of intent

Brochures and advertising materials

Industry studies

Blueprints and plans

Maps and photos of location

Magazine or other articles

Copies of preliminary leases\* and contracts

*\* Do not sign a lease until you have the financing in hand*

Letters of support from future customers

Any other materials needed to support the assumptions in this plan

Market research studies

List of assets available as collateral for a loan

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