

## Funding

What funding will you need to start your business, and operate it for the next year?

Where will you get those funds?

How much are you investing in this venture?

## Equipment

What equipment do you have and need?

How much will this equipment cost to purchase, operate and maintain?

## Cash Flow

What is your current and estimated cash flow for the business?

## Break Even

What is the minimum revenue that is required to meet your operating costs each month?

## Lenders

Lenders will also want to see:

- Balance Sheets (3 years and projected revenue)
- Cash flow statements (current and projected for a minimum of 2 years)
- Tax returns (previous 3 years)

## Why is a business plan the first step?

### Without a business plan it is challenging to:

### WHY?

**understand** the strengths and weaknesses of your idea

No business owner sets out to fail, but many do. Often, a lack of awareness about the business strengths and weaknesses is the result. A business plan can help you identify competitive edges and elements within the marketplace that you will have to overcome in order to succeed.

**know** whether the “right” location is affordable

How much will your business generate on a monthly basis? If you do not know, how can you determine what a reasonable lease term would be? Will you be able to afford your utilities, or staffing?

**find** business incentives that will match your business’s needs

Many incentives are aligned to how your business will use funds. Being able to show “sources and uses” of funds is an important step to align potential grants.

**determine** the extent of permitting and licensing that will be required

It is important to understand what permits are required, what is required to secure a permit and how much time and money it will take to secure the permits.

**know** whether lenders will support your idea

No one will lend you money unless they are confident your project is worth the risk. A good business plan will foster a sense of confidence in the proposal and enable your business to earn serious consideration from lenders.

It will be easier for city agencies to help you if you have a clear definition of what you are proposing to do.

## PRO TIP

Create a business notebook. Put everything you develop or find in the notebook. The more information you collect, the easier it becomes to develop a business plan. If you start out trying to write the business plan without any information, you may become discouraged.