

ASBTDC

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ARKANSAS SMALL BUSINESS AND  
TECHNOLOGY DEVELOPMENT CENTER



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to  
the  
**point**

BUSINESS PLAN  
OUTLINE

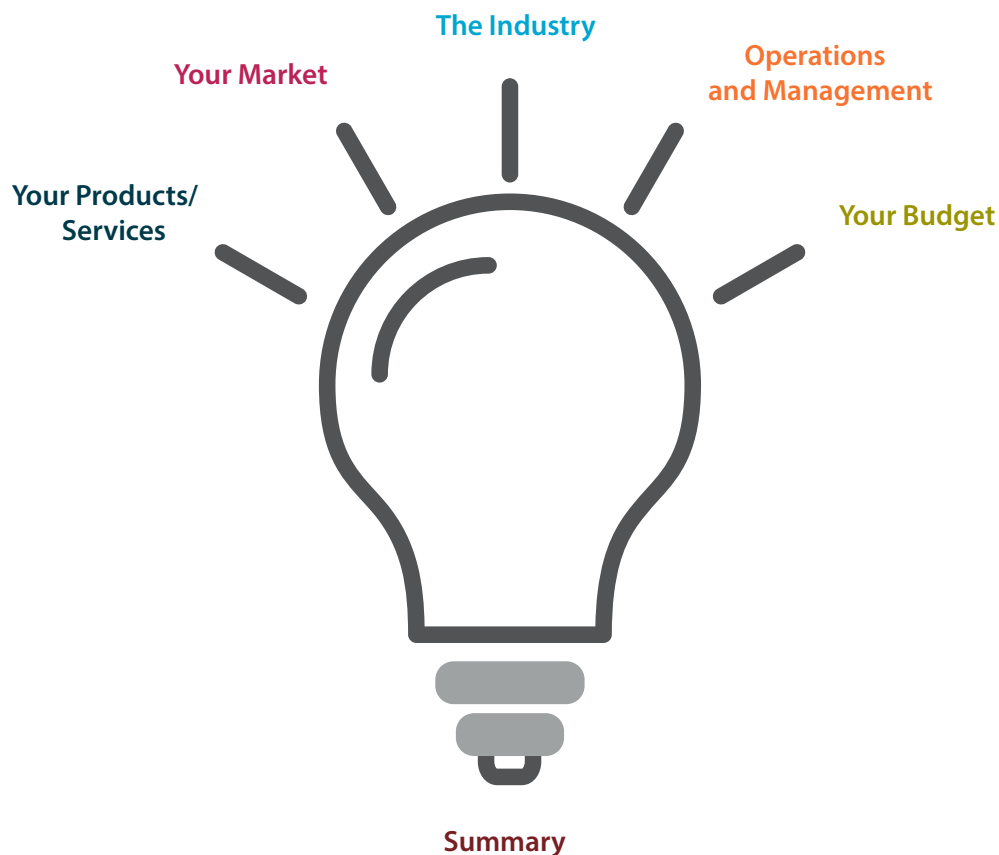


# TO THE POINT BUSINESS PLAN OUTLINE

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A business plan is a vital tool that will help you organize and develop your ideas and goals. The **To the Point Business Plan Outline** streamlines and simplifies the process of writing a business plan. Though every business is unique, the five sections (points) in the outline are essential to your business plan no matter what type of business you plan to start.

The questions in this outline are designed to guide you as you create your plan. The Arkansas Small Business and Technology Development Center can assist you with compiling your answers into narrative form as they will appear in your completed business plan.



# TO THE POINT BUSINESS PLAN OUTLINE

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all points



## Summary

Your executive summary is exactly that: a summary. You want this section to be concise, pinpointing the highlights – your goals, objectives, and monetary needs – in an enthusiastic fashion that captures the interest of your audience. The rest of your business plan gives the details; this section offers brief highlights of what to expect from the rest of the document.

Write your summary last. The summary customarily appears at the beginning of your completed business plan. However, you will need information from the rest of the business plan in order to write it, so be sure that composing the summary is your last step.

- What type of business are you planning to start (or expand)?
- Where will the business be located?
- Who will be the owner(s), and what will be the legal structure?
- What is the total cost to start/expand your business (include amount needed for equipment, inventory, furniture/fixtures, supplies, startup-related expenses, buildings or improvements, and working capital)?
- How much money are you contributing towards the total project costs?
- How much are you trying to borrow?
- What are you offering as collateral for your loan?

# TO THE POINT BUSINESS PLAN OUTLINE

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## point 1



# Your Products/Services

You must clearly identify the type of business as well as the product(s) and service(s) you will offer. You may say “that’s obvious!,” but in taking the time to collect your thoughts and write down your ideas, you may discover problems you had not anticipated and advantages you had not considered.

- What are the business’s products or services?
- Where are those products/services sold (storefront, online, office space, etc.)?
- What is the pricing structure for your products/services and how do you determine your prices?
- What problem or need is your product/service solving?

# TO THE POINT BUSINESS PLAN OUTLINE

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## point 2



# Your Market

Without customers, you cannot have a business. Yet many companies know next to nothing about the people or businesses that purchase their products or services. As a business owner, you need to know two things about your potential customers: what characteristics they have in common and how many of them are in your target area.

Identifying competitors is the next step in analyzing your market. Consider both direct and indirect competition. When you know who your audience is, you can create a marketing strategy to best pinpoint that particular demographic.

- Who are your target customers?
- How many potential customers are in your trade area?
- Discuss the competition for your product/service within your trade area.
- Who are your direct and indirect competitors?
- What sets your business apart from the competition? In other words, why would someone choose to buy from you rather than the competition?
- What are the best ways to market to your target customers?
- List your main 5-7 marketing tactics. (Be specific.) How much will each cost?

# TO THE POINT BUSINESS PLAN OUTLINE

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## point 3



## The Industry

As a business owner, you must know your industry. Regularly reviewing industry trade journals, publications, and websites is a good idea. Other possible sources of information are national or regional trade associations for your type of business.

- What trends and issues are facing the industry as a whole?
- What are some of the biggest problems the industry is facing?
- What opportunities exist in the industry?

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## TO THE POINT BUSINESS PLAN OUTLINE

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### point 4



# Operations and Management

The operation plan details the day-to-day “whos, whats, and wheres” for effectively operating the business and illustrates to investors and lenders that you know how to run the business and deliver your product or service. One of the most critical, yet most intangible, requirements for a successful business is the management skill to control and direct the business once it is operating.

- What is the owner’s role in business operations?
- Identify the number of employees required, their basic job functions, and their wages.
- What operational issues affect the business?
- How and when do customers pay?
- For existing businesses, what have you learned about operating your business successfully?

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### point 5



## Your Budget

Developing a 12-month operating budget is critical, whether you are starting or expanding. Business owners incur many costs. Some of these expenses are of a continuing nature, such as rent, utilities, and insurance. Others will be nonrecurring, such as equipment purchases, security deposits, and the like. Be conservative and realistic as you develop your operating budget. It is much better to outperform your projections than to try to explain why you didn't meet them – especially if you must explain that to your banker.

Obtain reliable estimates wherever possible. For example, public utility companies can give you estimates on monthly bills for your proposed location.

If you're a startup, keep in mind that it typically takes longer than anticipated for sales levels to reach expectations. In a startup environment, it takes time for customers to find out about your business, decide to give you the opportunity to sell to them, and finally make a purchase. Existing businesses entering new markets may have similar experiences.

### Project Cost Summary

Equipment	_____
Furniture/Fixtures	_____
Inventory	_____
Supplies	_____
One-Time Fees and Deposits	_____
Building or Improvements	_____
Working Capital	_____
Debt Refinancing (Existing businesses only)	_____
<b>TOTAL</b>	_____

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## TO THE POINT BUSINESS PLAN OUTLINE

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### point 5



## Your Budget

### Budget Explanation

- How did you determine your monthly sales projections?
- How did you determine your monthly expense projections?
- Discuss other factors in the business that are expected to influence your budget and cash flow.
- For existing businesses, explain any differences between historical performance and future projections.

*Include Monthly Cash Flow and Income Statement Projections for at least one year.*

# TO THE POINT BUSINESS PLAN OUTLINE

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## Supporting Documents

- Personal Financial Statement
- Resumé
- Price Quotes or Estimates on Planned Large Purchases (if applicable)
- Collateral List
- Historical Financial Statements (existing businesses only)
- Tax Returns (existing businesses only)

# Call On Us

We hope you find this outline helpful. Be certain to also review our To the Point Business Plan Sample as you work on your plan. Once you have a draft plan, contact the Arkansas Small Business and Technology Development Center near you for an appointment. Our staff can review your plan and provide guidance as well as answer questions.

## ASBTDC Offices

### Lead Center

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### Regional Offices

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#### RUSSELLVILLE

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