



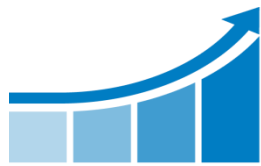
510 N. Pearl Street, Suite 1400
Macomb, Illinois 61455

309.836.2640 Office



Hours: 8 A.M. - 4:30 P.M.
Monday - Friday





12 Counties Served

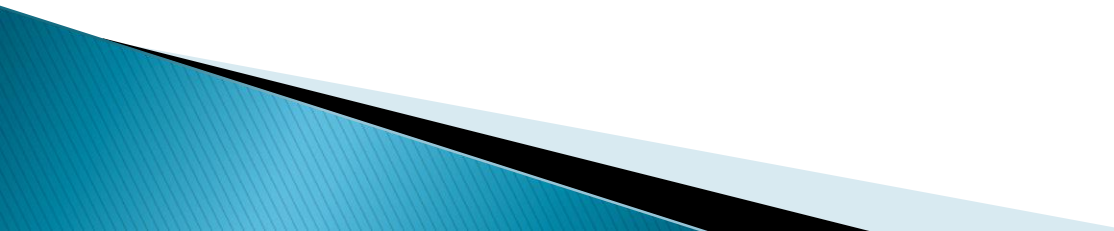
- McDonough
- Fulton
- Henderson
- Mason
- Knox
- Schuyler
- Brown
- Pike
- Adams
- Hancock
- Warren
- Scott



Major Communities

- Canton
- Galesburg
- Macomb
- Quincy
- Havana
- Monmouth

Why Create A Business Plan?

1. To plan the future of your business
 - Gives you a chance to really think about all the parts of your business.
 2. To apply for business loans
 - Almost all banks and city loans will require you to have a detailed business plan.
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Business Plans

have two main parts:

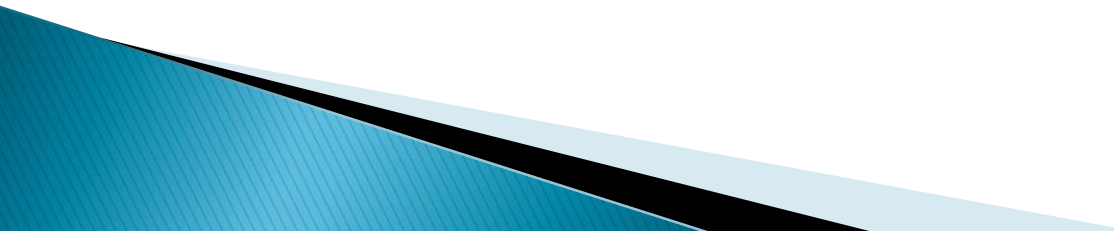
1. The Narrative

- The written story and future plans of your business.

2. The Financials

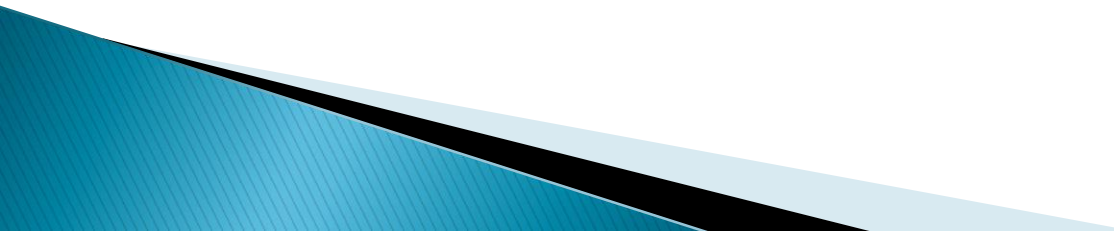
- The past (if there is one) and future expectations of where the money will be.

Sections Of the Narrative

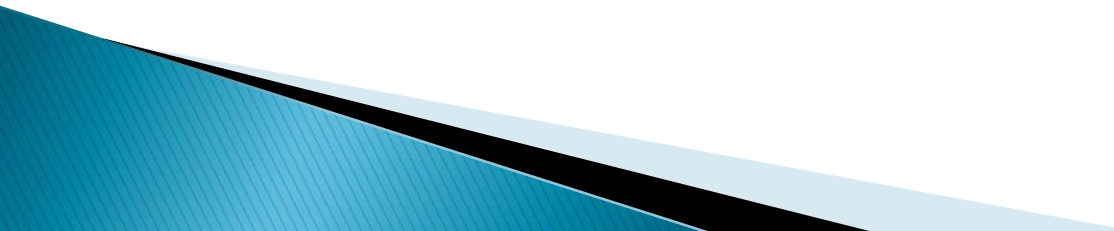
- ▶ Executive Summary
 - ▶ Company Description
 - ▶ Management
 - ▶ Operations
 - ▶ Marketing
 - ▶ Human Resources
 - ▶ Other?
- 

Narrative

▶ Executive Summary

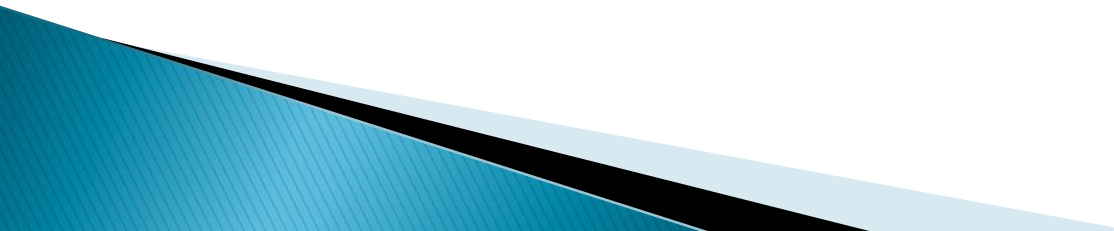
- Always comes first in the business plan.
 - Summarizes your business quickly, in about 1 page.
 - Many times it's the last thing written because it uses information from the other sections.
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Narrative

- ▶ **Company Description**
 - Name
 - Mission Statement
 - Legal issues
 - Overview of products / services
 - Location
 - Stage in business development
 - Financial Status
- 

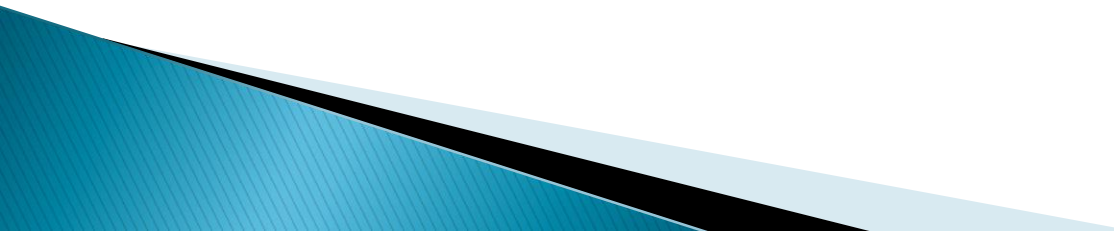
Narrative

▶ Management

- Key Employees – Experience, Successes, Education, Strengths
 - Compensation and Incentives
 - Board of Directors
 - Other outside professional help
- 

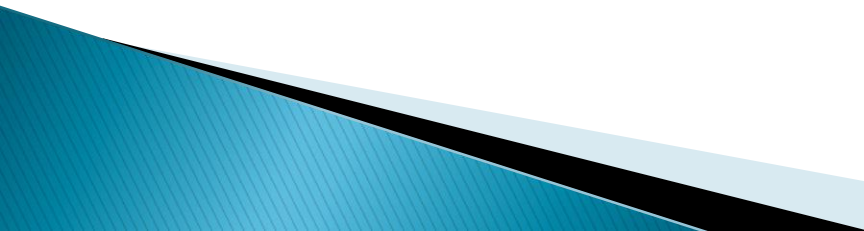
Narrative

▶ Operations

- Facilities – Location, Lease, Improvements, Utilities
 - Production – Labor, Productivity, Capacity, Equipment, Quality Control
 - Inventory Control
 - Supply and Distribution
 - Customer Service
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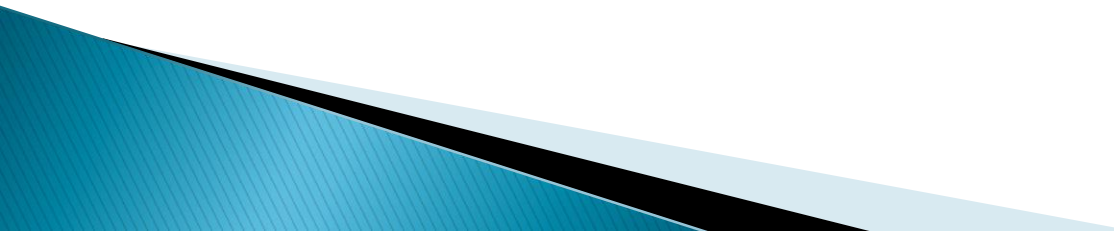
Narrative

▶ Marketing

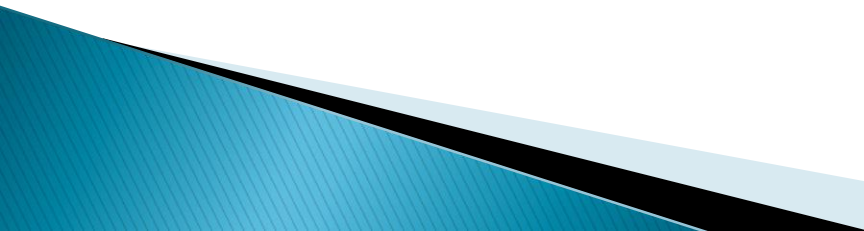
- The 4 P's – Product, Place, Pricing, Promotion
 - Channels – How, where to advertise
 - Budget – how much to spend
 - Sales structure (commission, straight pay)
 - Branding – logos, colors
 - Public Relations – news outlets
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Narrative

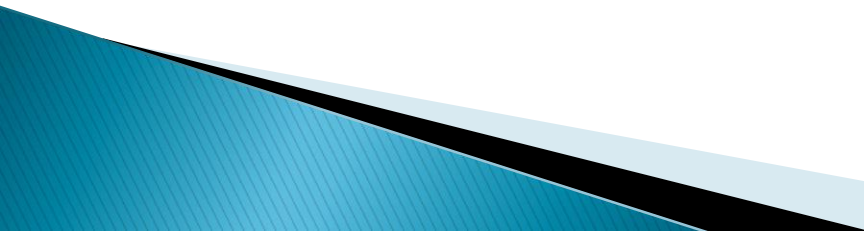
▶ Human Resources

- Hiring procedures
 - Job Descriptions
 - Compensation and benefits
 - Training and evaluations
 - Discipline and Termination
- 

Narrative

- ▶ Other “Optional” Sections
 - Regulatory
 - Technological
 - Globalization
 - Social Responsibility
 - Strategic Position and Risk Assessment
 - Industry Analysis and Trends
- 

Financials

- ▶ Types of financial schedules
 1. Balance Sheet
 2. Profit and Loss Statement (Income sheet)
 3. Cash Flow Statement
 - Most important for small businesses
 - Measures what you actually have in the bank on a day-to-day basis
- 

Financials

▶ Cash Flow

- Revenue : The money coming in to your business
 - Sales
 - services
 - Rental income

Financials

▶ Cash Flow

- Costs or Expenses – bills you pay
 - Variable – These move up and down with sales
 - Payroll, Advertising
 - Fixed – Stays the same each month
 - Rent, Trash Removal, Utilities

Financials

▶ Cash Flow

- Additional monthly payments
 - Owners Withdrawal – The owners income
 - Loan Repayment – The Bank Payment

	1st Month	2nd Month	3rd Month
Beginning Cash *	\$0	\$649	\$1,298
* last month ending cash			
Sales	\$25,000	\$25,000	\$25,000
(1) Total Cash Available	\$25,000	\$25,649	\$26,298
Inventory	\$12,500	\$12,500	\$12,500
Advertising	\$50	\$50	\$50
Payroll	\$4,000	\$4,000	\$4,000
Office Expenses	\$25	\$25	\$25
Insurance	\$1,250	\$1,250	\$1,250
Permits and Fees	\$25	\$25	\$25
Supplies	\$10	\$10	\$10
Telephone	\$50	\$50	\$50
(2) Total Expense	\$17,910	\$17,910	\$17,910
(3) Balance (1-2)	\$7,090	\$7,739	\$8,388
(4) Less Owners Withdrawl	\$2,000	\$2,000	\$2,000
(5) Balance (3-4)	\$5,090	\$5,739	\$6,388
(6) Less Fixed Loan	\$4,441	\$4,441	\$4,441
(7) Other loans			
Ending Cash (5-6-7)	\$649	\$1,298	\$1,947

What Does a Lender Want to See?

- ▶ Be positive, but realistic. Not too optimistic.
 - ▶ Show that you understand your business
 - ▶ Explain what you are putting into the business project
 - ▶ Show how you will pay back the loan
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