Startup
Business Plan Workbook

Entrepreneurs With Disabilities Program

With the support of:
Prairies Economic Development Canada

Canada

Community Futures Saskatchewan
www.cfsask.ca

Your Future Starts Here...

Every entrepreneur who wants to start a business needs a business plan. A business plan is the formal written presentation of a business idea. It is a roadmap of all the steps you will take to start, operate and manage your business. Business plan templates are available online and through business development organizations.

It is a good idea to work through the main themes of a business plan before writing your formal plan. This workbook will guide you through the process and help you:

- Identify your personal reasons for starting a business
- Organize your business idea clearly
- Find hidden flaws in your idea and avoid common business mistakes
- Identify the financing you will need
- Confirm your business idea and write a formal business plan

0.1 Begin The Process By Describing Why You Want To Start A Business

Do you:

- Want to be your own boss?
- Have an idea that no one else has developed?
- Need to supplement your current income?

0.2 Identify Your Skills

Do you have skills and experiences that will help you develop your business?

What educational skills will you bring to the business?
(e.g. math, accounting, computer skills, sciences, sales)

How will you expand your skills as you develop your business?

What work experience do you have that will help make you a good business owner?

0.3 Examine Your Personal Financial Situation

Most business startups require personal contributions of time, effort and money.

- What is the state of your personal finances?
- Do you have savings, and/or own property or a vehicle?
- Do you have a monthly budget plan (income/expenses)? Do you follow this plan?

0.4 Include Your Personal Budget Plan

Use the following budget sheet to outline your monthly income and expenses.

When you start your business it is important to know how much money your personal lifestyle requires. By filling out the personal budget on the next page, you can see how much extra money is left over for you to put back into your business every month.

If the net monthly surplus is negative, talk to a Community Futures staff member to see how you can adjust your income or expenses.

	Month 1
Monthly Income	
You	
Spouse	
Other	
Total Monthly Income (A)	
Monthly Expenses	
Automobile (insurance, fuel, repair)	
Cable/Satellite	
Clothing	
Gifts	
Groceries	
Loan Payments/Leases:	
• Vehicle	
• Credit Card	
• Other	
Medication	
Municipal Taxes	
Recreation and Entertainment	
Rent or Mortgage	
Restaurants	
Insurance (fire, life)	
Utilities:	
• Electricity	
• Heating	
• Telephone	
• Water	
Other	
Total Monthly Expenditures (B)	
Net Monthly Surplus (A minus B)	

1

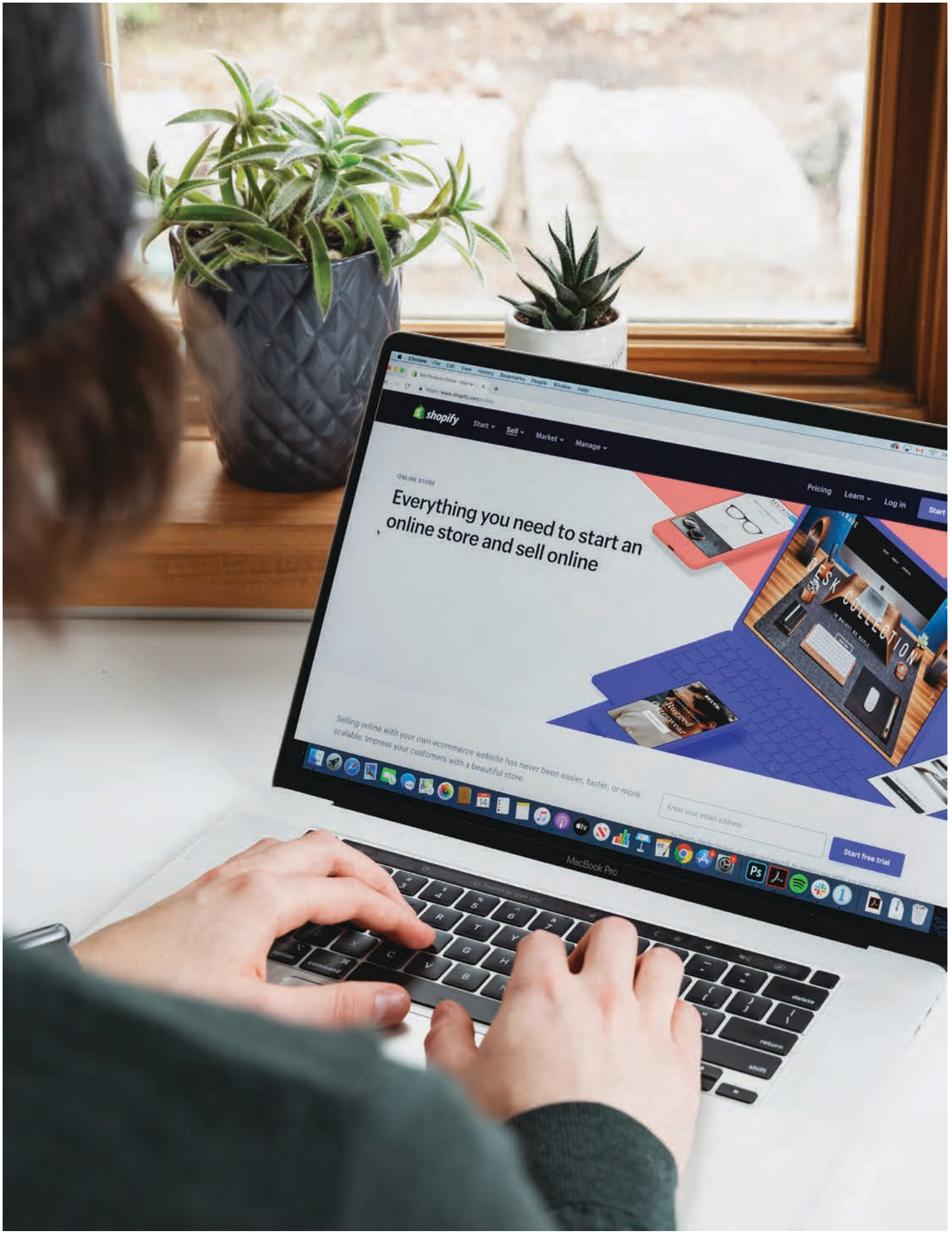
Step One

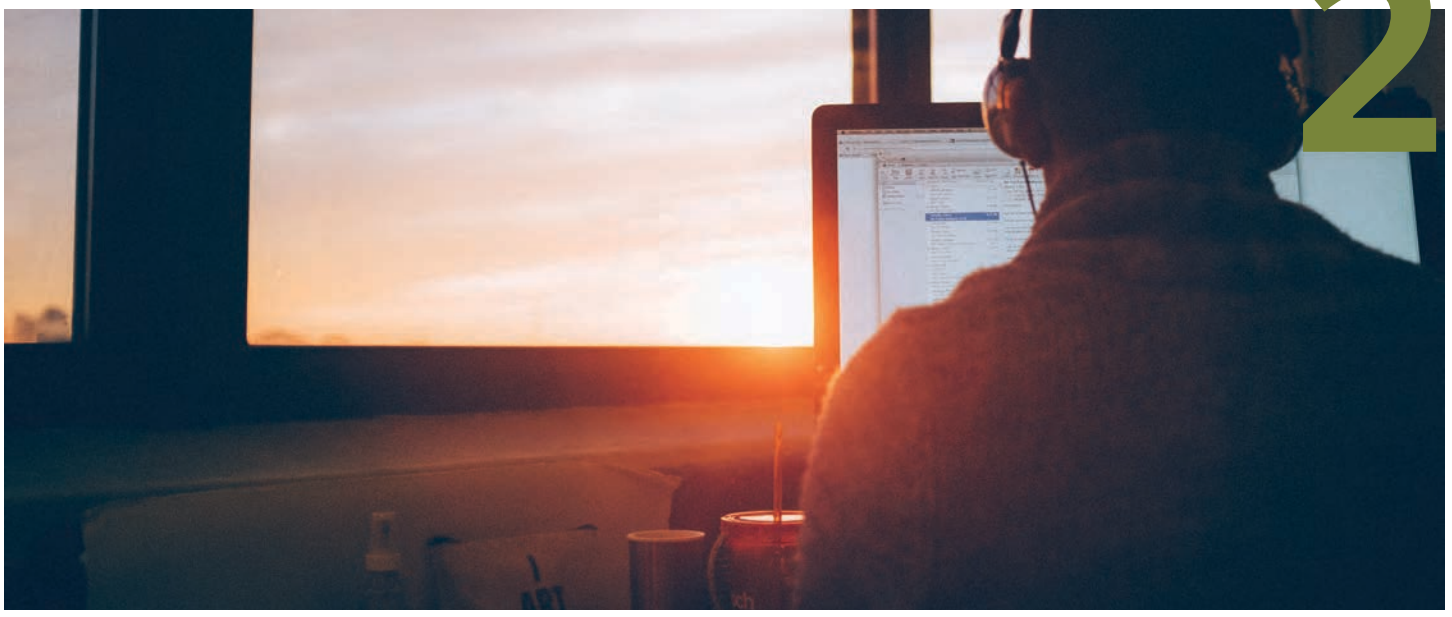
Product / Service Information

Your startup business plan needs a clear description of the product(s) and/or service(s) you wish to sell.

1.1 Describe Your Product / Service

- What will you sell?
- How is it different from existing similar products or services?
- What customer need does it fill?


shopify
Start
Sell
Market
Manage
Pricing
Learn
Log in
ONLINE STORE
Everything you need to start an online store and sell online
Selling online with your own ecommerce website has never been easier, faster, or more scalable. Impress your customers with a beautiful store.
Enter your email address
Start free trial
MacBook Pro



Step Two

Market Analysis and Industry Overview

It is important to identify your customer base and business competition.

2.1 Describe Your Target Customer

- What is your customer profile (age range, gender, income, buying habits, location)?

2.2 Market Size

- How many customers are in your area?
- Is your customer base getting bigger or smaller?

2.3 Industry Overview

There are two main types of business competitors:

1. **Direct competitors** are industry businesses that offer the same or similar products or services.
2. **Indirect competitors** are different types of businesses that compete for the same or similar target customer.

- Who are your direct competitors?
- Why will customers buy from you rather than a different business?

- Who are your indirect competitors?
- Why will customers buy your product instead of another product?

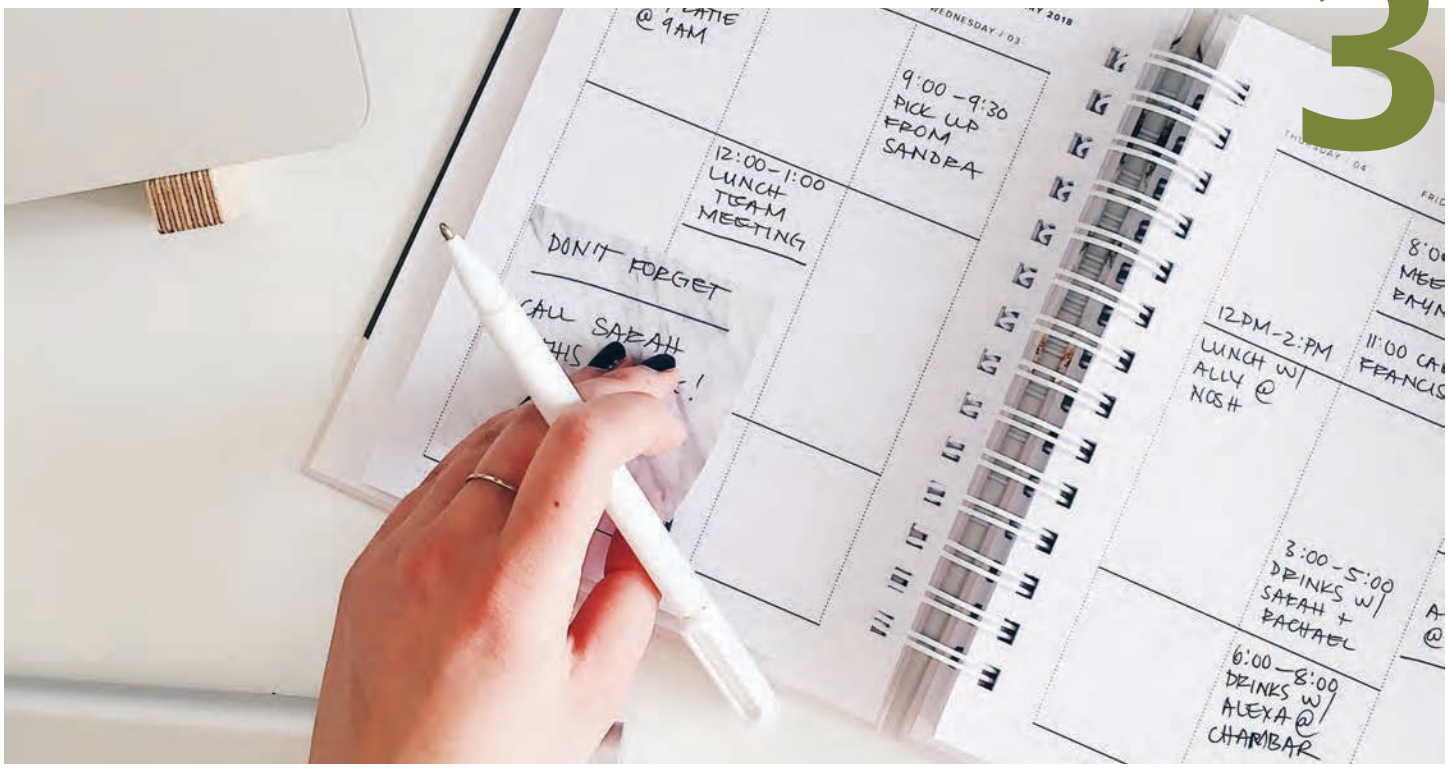
- How will you get customers to buy from you rather than your competitors?

2.4 Comparative Advantage

You have a comparative advantage when you can provide a quality product or service at a better price than the competition.

If you have a comparative advantage, describe it below.

3



Step Three

Marketing Plans and Strategies

A marketing plan is based on research and knowledge of the industry, market and target customer. Customers need to know what your business offers before deciding to make a purchase. A marketing plan details how you will tell them about your products/services, what need they fill, and how they can buy them.

A marketing plan is based on four marketing concepts:

- **Advertising:** Creates business awareness (websites, brochures, business cards, purchased print, radio, television and browser ads)
- **Promotion:** Helps people remember you and provides incentive to buy (coupons, specials, social media presence)
- **Publicity:** Others promote you (newspaper stories, word-of-mouth)
- **Public Relations:** How you present yourself to customers (customer service, community/business partnerships, charitable support/sponsorship)

3.1 Create a Marketing Strategy

A marketing strategy uses a combination of these concepts. You want to give your target customer product information in ways that will encourage sales. Strategies are often used to introduce new products, support the development and growth of the business, entice new customers or convince former customers to return.

Marketing is a necessary business expense, but some methods “such as publicity” can be free.

- Which concepts will you use, and how will you use them to tell your target customer about your new business, product/service?
- What will it cost to do this?
- Can you afford the cost?

How will you use different marketing strategies to support the growth of your business in the future?

Step Four

Business Type and Location

4

Use the chart to determine the type of business structure you will use.

4.1 Business Types	Pros	Cons
Sole Proprietor		
You are the sole owner. Small business. Few or no employees.	Profits are yours. Easy to set up. Not expensive to set up. May have tax benefits.	You carry all risks. You are responsible for all debts.
Partnership		
You and one or more people operate the business.	Easy to set up. All partners contribute skills, knowledge and assets. May have tax benefits.	Disagreements can cause problems (written agreements are important). Bad debts must be shared by all partners.
Corporation		
You and your business are separate entities. Often used by those with a lot of assets or debts.	May have tax benefits. You are only responsible for the personal assets you use as business security. Business is responsible for business debts .	More expensive and complicated to set up. More paperwork and regulations.

4.2 Describe Your Business Type

What business type will you use?

4.3 Legal Requirements

After deciding your business type, you need to register your business name and get the necessary permits and licenses as follows:

1. Conduct a business name search.
2. Reserve your business name.
3. Register your business. Once your business is registered you will receive a 9-digit federal Business Number (BN).
4. Contact the city or local municipality to get a business license and any business-specific permits you may need to operate.

Note the legal steps you have begun or completed.

The Information Services Corporation (ISC) has an online application process to register your business.
www.isc.ca

4.4 Describe Your Business Location

Some businesses need to lease space, and others may be home-based.

- Is your business home-based?
- Will you rent/lease in a retail, commercial or industrial area? If so, where?
- What equipment will you need for your office or facility?

Step Five

Management and Staffing Plan

It is important to know how you will organize your business to cover all your skill needs. Are you the sole worker in your business, or do you need to hire permanent, part-time, casual or contract employees?

5.1 Complete the Skills Assessment Chart

Be very honest with yourself. You do not need to be skilled in all areas. You do need to know who can do each task.

Skills Assessment	Adequate Knowledge	Assistance Needed	Training Needed	Will Hire Out
Accounting and taxation				
Pricing, billing and collecting				
Counting and replacing inventory				
Checking and adjusting budgets				
Completing employee timesheets and payroll				
Submitting taxes, PST, GST				
Planning and organizing				
Tracking and maintaining customers				
Researching good suppliers				
Scheduling workloads				
Marketing strategy plans				
Forecasting future changes				
Human resource management				
Hiring staff				
Completing staff performance reviews				
Ensuring customer service				
Training staff				
Evaluating staff performance				

Step Six

Financial Plan and Cash Flow Analysis

6

A financial plan is a necessary business management tool. Working through the financial basics will help you determine the potential success of your business idea.

6.1 Develop a Product / Service Pricing Strategy

Pricing can be based on several factors. You may be able to charge whatever you want if you have a captive market (unique product or service), but usually, a pricing strategy is a combination of:

- Competitor pricing
- Sales needed to break even
- Sales needed to make a profit
- Market size (customer base) needed to support your sales target

6.2 Calculate Your Unit Price and Sales Target

Monthly business costs include the costs of making or purchasing products for resale. The following calculation is an example of setting a sales target based on unit price. The calculation does not reflect a net profit after operating costs are covered.

- Your product unit cost - (e.g. $20)
- What you can sell it for based on your pricing strategy - (e.g. $35)
- Basic profit - (e.g. $15)
- Units you need to sell to have monthly gross sales of $1500 - (e.g. 100)

Caution This simple calculation is only an example of sales dollars available. You will need to sell much more to cover your monthly expenses.

1.000
08:00
08:30
09:00
09:30
10:00
Canada
FIVE · CINQ DOLLARS
5
TWENTY DOLLARS
20
TEN DOLLARS
10
MRC
M–
7
8
4
5
1
2
0
·

6.3 Calculate Startup Expenses

The chart that follows provides you with the cost to open your doors and to operate for one month. Fill in the items that are relevant to your business.

Cash Inflows	Startup Expenses
A) Sales	
Sales - Item 1	
Sales - Item 2	
Sales - Item 3	
A) Total Sales (total of items 1 to 3)	
B) Other Revenue	
Bank Loan	
Community Futures Loan	
Owner Investment	
Family Loan	
B) Total Other Revenue	
A+B) Total Cash Income	
C) Cash Disbursements	
Purchases	
Equipment	
Land & Building	
Leasehold Improvements	
Other	
C) Total Disbursements	
D) Cost of Goods Sold (COGS)	
Staff Wages	
Inventory	
D) Total COGS	

Month One	Notes

Continue on next page

6.3 Calculate Startup Expenses (Continued)

The chart that follows provides you with the cost to open your doors and to operate for one month. Fill in the items that are relevant to your business.

Cash Inflows	Startup Expenses
E) Selling & Administration Expenses	
Advertising	
Bank Charges	
Insurance	
Loan Payments	
Management Wages	
Office Supplies	
Utilities (Electricity, Phone, Water)	
Professional Fees (Legal, Accounting)	
Property Taxes	
Rent	
Repairs and Maintenance	
Cleaning Supplies	
Other	
E) Total Expenses	
C+D+E) Total Disbursements (Total Purchases + COGS + Expenses)	
Opening Balance: What your bank balance was at the beginning of the month.	
Surplus (Deficit): Total cash income less total disbursements.	
Closing Balance: Opening balance less surplus (deficit).	

Month One	Notes

6.4 Calculate Actual Revenues

Figure out the revenues you will actually need to cover all your expenses per month. Make your startup costs as realistic as possible for success. This will avoid disappointment in the first month of business.

- What are your revenues per month?
- What are your expenses per month?
- With the monies left over, can you make all your payments?

6.5 Review Your Projections

Decide if you need to make adjustments to your startup costs. For example, can you:

- Make personal contributions that lower the startup costs?
- Start with a home-based office instead of leasing or purchasing office space?
- Distribute equipment purchases over time?
- Subsidize your income with a part-time job until sales increase?
- Adjust your pricing policy?

6.6 Determine Financing Requirements and Costs

- Do you need a loan to run your business? If so, how much?
- Is the loan for startup, operating or both?
- How long will it take to repay?
- How much will the payments be?

6.7 Cash Flow Analysis

Your startup costs will give you a clear picture of how long it will take to break even and start making money. A three-month cash flow projection will give you an idea of future revenue. It is important to know if you:

- Need to supplement your business until you start making money (invest personal savings or assets). If so, how much?
- Need to apply for a loan (long term or operating loan).

6.8 Business Idea Analysis

Consider your business idea and decide if you want to:

- Continue with it as is
- Continue with changes
- Reconsider

Notes

Notes

Glossary

Business Words

Accounts Payable
Monies you owe for purchases.
These monies are considered to be liabilities.

Accounts Receivable
Monies owed to you. These monies are considered to be assets.

Assets
Something that creates economic value for the business (a thing, person or resource).

Balance Sheet
Financial statement that compares income and expenses at a specific point in time.

Borrower
A person who has applied for and has received a loan from someone.

Cash Flow
The amount of cash you have at the beginning (opening balance) and the amount at the end of a period of time (closing balance).

Collateral
An asset listed to get a loan (car, savings, land, house). If the loan isn't paid back, you lose the collateral to the lender.

Credit
Monies one borrows with an agreement to pay it back.

Business Words

Debt
Monies borrowed or monies owed.

Depreciation
A reduction in the value of an asset over time.

Expenses
Monies spent to make money (wages, product purchases).

Income
Cash earned from jobs (selling products or services).

Liability
A financial debt created doing business (loans or product purchase costs).

Loan
A lender gives money to the borrower that must be paid back.

Net Income
Total earnings (profit) after all expenses are paid.

Pro-Rated Expenses
Allocate expenses proportionally over time.

Tax
Monies you pay to government (income tax, sales tax, property tax).

Cash Flow Words

Automobile
Expenses related to automobile use for the business (fuel, insurance, maintenance, etc.).

Cash Flow Chart
A graphic image of a cash flow projection or statement.

Cash Flow Projection
A spreadsheet listing expected incoming cash and outgoing expenses into the future.

Cash Flow Statement
A spreadsheet listing incoming cash from business operations and investments, and outgoing cash paid for business activities and investments in a given period.

Insurance
All insurance costs incurred by the business, except for automobile insurance.

Loan Payment
Interest and principal payments made to a lender.

Maintenance
All costs associated with maintaining buildings and equipment used by the business.

Principal Drawings
All cash payments made to the owner of the business (sometimes called owner's draw).

Professional Fees
All fees paid to lawyers, accountants, business name registration, etc.

Cash Flow Words

Purchase Fixed Assets
All fixed assets or capital equipment purchased by the business (land, buildings, equipment, etc.).

Sales
All cash sales made during the month.

Taxes and Licenses
All business taxes and business license fees paid by the business.

Wages and Benefits
Money paid to employees (not the owner). These include mandatory costs such as Employment Insurance and Canada Pension.

Buying a Business Words

Letter of Intent
A document that outlines the specifics of an agreement to purchase.

Offer to Purchase
A legally binding contract (when signed) outlining the sale agreement between buyer and seller.

Community Futures Saskatchewan represents 13 Community Futures organizations established throughout rural and northern Saskatchewan. The goal of each Community Futures is to assist the communities in their region to develop their economic potential through entrepreneurship.

Visit cfsask.ca to learn more.

Community Futures Saskatchewan