



VERITEX®
COMMUNITY BANK

Developing a Business Plan

PARTICIPANT'S GUIDE

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My Business Priorities

Think about your business goals and your vision for the future. Check off the reasons below that best reflect your reasons for building a business plan. If you don't see a reason that's important to you, just add it to the list.

Why I need a business plan:

- Attract potential employees
- Clarify ideas
- Establish goals
- Demonstrate viability of business
- Demonstrate that goals are achievable
- Motivate team toward goals
- Raise capital or gain investors
- Show business structure

A good next step would be to prioritize those reasons. Which of those reasons is most important for your business?

TOP THREE MOST IMPORTANT REASONS

--

How Lenders and Investors Use Business Plans

A business plan is **one piece of information** that potential lenders, business incubators, investors, and economic development organizations will want before making a decision to loan money or invest.

LENDERS	INVESTORS
Lenders do not typically get any equity or ownership in the company.	Investors generally get a stake or share of ownership in the company in exchange for their money. They have a say in how the business is run and are motivated by growth and profit.
When you borrow from a lender, it's called "debt financing." Just like a regular loan, you are expected to pay back the debt plus interest.	When an investor puts in capital, it's called "equity investing."
Lenders are most interested in making sure that your plan is sound. When looking at the financials, they want to know if there will be enough cash each month for you to make the payments on the loan.	Investors are most interested in whether the business is scalable, its potential for growth or acquisition, and the strength of its leadership.

Writing My Executive Summary*

Best Practices

- The Executive Summary should be short and concise.
- It should grab the reader's interest and attention immediately.
- Although it's the first piece of information in the business plan, you should write it last—after you have the rest of the business plan in place.

Write a short description about the following topics:

Your company

Products or services that you sell

Your audience and ideal customer

**If you are interested in reviewing examples, there are several samples and templates available online or through your local business bureaus. Based on your business type, search or speak with a representative to obtain samples.*

Writing My Executive Summary, Continued

Your business's future

Your industry's future

Writing My Company Description*

Best Practices

- Think of this as an extended version of an “elevator pitch.” You don’t need to be as concise, but the description can’t be too lengthy, either.
- Be descriptive and thorough.
- Include all important details, especially anything that makes your business unique.

Describe your business in detail:

Key employees

Mission statement

Products or services provided

Qualities that could contribute to your company’s success

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Defining My Management and Organization*

Best Practices

- Create an organization chart. A visual representation of roles and responsibilities can show that you are smart and serious about your business. The chart should include these components:

Ownership Information

- Name(s) and title(s) of owner(s)

- Job descriptions and compensation details of owner(s)

- Percentage of ownership

- Type of ownership (stock, partner, etc.)

Organizational Structure

- Visual organizational chart

- Description of roles and responsibilities

Note: Go to <https://www.sba.gov/business-guide/plan-your-business/write-your-business-plan> for a more detailed look at important information to include in this segment.

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Defining My Management and Organization, Continued

Board of Directors or Advisors

Use the space provided below to list your board members, their positions/titles on the board, and a profile for each member (e.g., background, educational qualifications, industry recognition, history with the company, etc.).

Board Member: _____

Position/Title: _____

Profile: _____

Board Member: _____

Position/Title: _____

Profile: _____

Board Member: _____

Position/Title: _____

Profile: _____

Board Member: _____

Position/Title: _____

Profile: _____

Understanding the Market*

Best Practices

- Include this section after the company description section.

Describe your market research findings in terms of the following:

Market and industry description

Target audience

Primary competitors

Legal requirements, restrictions, and compliance

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Performing a Competitive Analysis

Directions:

1. In each Feature cell, write the most important and/or useful features of the companies' product.
2. Put a checkmark (✓) if a competitor's product has that feature.
3. Put a checkmark (✓) if the example company has that feature.
4. Put an x-mark (x) for any feature that each company's product doesn't have.

COMPETITIVE ANALYSIS

	NAME OF YOUR COMPANY:	NAME OF COMPETITOR #1:	NAME OF COMPETITOR #2:
FEATURE #1			
FEATURE #2			
FEATURE #3			
FEATURE #4			

Describing My Product or Service Line*

Best Practices

- Emphasize how your product is uniquely suited to address your customers' needs.

Describe your product or service line in detail, focusing on these topics:

A detailed product or service description

Product or service benefits

Unique advantages

Intellectual property (e.g., copyrights, patents, trademarks, etc.)

Product or service development stage

Opportunities for improvement

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Building My Marketing and Sales Strategy*

Best Practices

- Break your sales strategy into sets of activities.

Describe your marketing and sales strategy, focusing on the following:

Growth strategy

Communications strategy

Sales strategy

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Developing Financial Projections*

Best Practices

- Research industry statistics, and estimate what your company's profits and losses could be.
- Analyze trends in your financial data, and make predictions.
- Use graphs and other visual aids in this section.
- Be realistic. Base your projections on as much data as you can.
- Project three years into the future.

<u>Projected Balance Sheet</u>	<u>Profit and Loss Projection</u>
<input type="checkbox"/> Have It <input type="checkbox"/> Need It <i>Who can help me with this?</i>	<input type="checkbox"/> Have It <input type="checkbox"/> Need It <i>Who can help me with this?</i>
<u>Cash Flow Projection</u>	<u>Break-Even Projection</u>
<input type="checkbox"/> Have It <input type="checkbox"/> Need It <i>Who can help me with this?</i>	<input type="checkbox"/> Have It <input type="checkbox"/> Need It <i>Who can help me with this?</i>

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Building My Business Plan

Check off the sections of your business plan that you already have, would like to edit, or need to develop.

Section	Have and Confident As Is	Have and Need to Edit	Don't Have
Executive Summary			
Company Description			
Management and Organization			
Market Research			
Product or Service Line			
Marketing and Sales			
Financial Health			
Financial Projections			

Of the sections you have not developed or would like to edit, rank how difficult each of them would be for you to create, using a scale from low to high.

Rank something “low” if you have most of the information, “medium” if it will require research, and “high” if you think you’ll need help from someone else (including a professional).

Low Difficulty	Medium Difficulty	High Difficulty

Resources

Government Resources

SCORE:

<https://www.score.org/>

Small Business Development Centers:

<https://www.sba.gov/tools/local-assistance/sbdc>

Veterans Business Outreach Centers:

<https://www.sba.gov/offices/headquarters/ovbd/resources/1548576>

Women-Owned Businesses:

<https://www.sba.gov/business-guide/grow-your-business/women-owned-businesses>

It may also be helpful to do an internet search or try to identify local in-person resources, such as the following:

- Chambers of Commerce
- Community colleges
- Business improvement districts

My Local Resources Worksheet

SCORE Membership Network

Organization Name	Name of Contact	Website	Area Served	Phone Number

Local Small Business Development Center

Organization Name	Name of Contact	Website	Area Served	Phone Number

Other Local Networks/Mentors

Organization Name	Name of Contact	Website	Area Served	Phone Number