YWCA Hamilton
Micro Lending Program

COVER PAGE

Business Name:

Business Address:

City /Province/Postal:

Phone:

E-mail:

Website:

Owner Name:

Owner Address:

City/Province/Postal:

Phone

Fax:

E-mail:

Prepared By:

Date:

EXECUTIVE SUMMARY

- *What the business will do; what product you will sell or service you will provide*
- *Where the business will be located, the date you plan to start, and the hours you will operate*
- *What makes your product/service appealing or unique*
- *The market you will serve and your customer profile*
- *Your advantage over the competition*
- *Sole proprietorship, partnership or corporation*
- *Your start up costs, projected sales and projected profit*

DESCRIPTION OF PRODUCTS and SERVICES

*Describe the **products/services** you will make or the service(s) you will provide.*

- *Are you making the products or buying them?*
- *If you are making them, describe the processes and the costs?*
- *Who are your suppliers?*
- *Why is your product/service unique? How is your business different than others?*
- *Why will customers buy from you? (convenience, service, guarantee etc)?*
- *What advantages do you have that your competitors don't have?*

Production Process

Describe the process required to get your product/service in the customer's hands.

How to boil an egg example:

1. *Receive a call/email from a customer for a boiled egg.*
2. *Discuss the type of egg, time delivery required and what the egg will be used for.*
3. *Agree to delivery date/time and price.*
4. *Choose the best egg for the client.*
5. *Gently place the egg in a saucepan. Boil an extra egg, (in case of breakage) but be sure to set the eggs in a single layer.*
6. *Add cold water to the saucepan until the water is 1 inch above the egg.*
7. *Place the saucepan on a stove and bring the water to a full rolling boil.*
8. *Remove from heat and let stand for 10 minutes. Set a timer to keep track.*
9. *Transfer the egg from the pan to an ice bath and let it sit for 5 minutes. This will stop the cooking process so you don't end up with a tough egg.*
10. *Let the egg cool before handling. Pat the egg dry.*

11. *Package the egg for delivery.*
12. *Prepare invoice for the customer.*
13. *Deliver the egg and invoice to the customer.*
14. *Receive payment.*
15. *Thank the client and ask for referral.*

Product/Service 1

Product/Service 2

Product/Service 3

MARKETING PLAN PART 1 – CUSTOMERS, PRICING AND SALES

In this section you will describe your customers and your prices. This will help you to estimate your daily sales and calculate your weekly sales revenue.

Customers

- What are the characteristics of your ideal customer? gender, age, income, in what Hamilton are they are living?
- What is their income level?
- How many customers are in your target area?

Cost and Pricing

- What will you charge for your product/service?
- How did you calculate this price? (Remember to take into consideration costs such as supplies, overhead, labour, rent etc)
- Take into consideration what your competitors charge

Estimated Sales

- For products - How many units of your product will you sell in a week?
- For services – how many jobs can you book each week / how many projects can you complete?

Projected Weekly Sales Revenue

Based on what you said were your prices and sales estimates you can now calculate your projected weekly sales revenue.

Example:

If you sell cakes for $25 each, and you expect to sell 4 cakes a day, your daily sales are $25/cake x 4 cakes/day = $100. If you operate 5 days a week, your weekly sales are $100/day x 5 days/week = $500/week.

Sample Sales Projection Table:

Item	Price per item	x	Number of sales per day	=	Daily Sales Revenue	x	Days of Operation per Week	=	Weekly Sales Revenue
Cake	$25	x	4	=	$100	x	5	=	$500

Enter your information below

Item	Price per item	x	Number of sales per day	=	Daily Sales Revenue	x	Days of Operation per Week	=	Weekly Sales Revenue
Cakes	**$50**	**x**	**3**	**=**	**$150**	**x**	**5**	**=**	**$750**
Cookie ad athers	**$2**		**15**		**$30**		**5**		**$155**

MARKETING PLAN PART 2 – ADVERTISING AND PROMOTION

In this section you will outline how you will reach your customers through advertising and promotion.

Advertising your product/service

• Type of advertising will you use?(e.g. direct mail, internet) • How much will it cost? • How much business do you think it will generate?

Use of Media

• Describe any plans to attract media attention • What media are you targeting?

Marketing Materials

• What types of marketing material will you need? E.g. business cards, brochures, posters, banners

Marketing Methods

• What methods will you use to market your business? E.g. tradeshows, cold calls, telemarketing

Website

• Will you have a web site? How will you use it to market your business?

Marketing Cost

Based on your answers above- • What will your marketing and promotion costs be?

BUSINESS OPERATIONS

In this section you will describe the details of your business and the day-to-day operations.

OPERATIONS AND OPERATIONAL COSTS

• Business location: Home? Workshop? Office or retail space? Will you require storage space? • Why have you chosen this location? • Will you have rental costs? • What labour costs will you have? • What overhead and supply costs will you have? • Who are your suppliers and what do they charge? • Warranties/guarantees? • Returns and exchanges?

Human Resources

• Will you have employees?

If you will have employees you will need to account for payroll deductions. See Canada Revenue Agency website www.cra-arc.gc.ca for more information

Regulations

• Do you require any permits or licenses?

BUSINESS RISKS – PROTECTING YOU AND YOUR BUSINESS

Managing Business Risks

• What are the risks that could threaten your business? E.g. fewer customers than anticipated, more customers than anticipated, supply costs go up • What will you do to counter those risks?

Personal Safety Risk

• Are there aspects of your business that could be hazardous to you or an employee? E.g. Heavy lifting, use of power tools or ladders, hazardous materials • If so, how will you manage those risks? E.g. training, use of safety equipment

3rd Party Risk

• Are there aspects of your business that could present a risk to your customers? E.g. Falling at an event, food poisoning • If so, how will you manage those risks? E.g. hygiene practices, liability insurance

FINANCIAL INFORMATION

In this section you will discuss the financial plan for your business. This will include your operating budget and your cash flow forecast – what money will be coming in and going out over a given period of time (e.g. 3 months, 6 months, 1 year)

Start-up Costs

Do you have any start up costs to get your business operating? Consider all expenses such as licenses, business registration, equipment, inventory, supplies. Note them below.

Start-up Budget

Item	Cost
Total Start-up Budget	**$**

Operating Costs

Your operating costs are the expenses associated with administering you business on a day to day basis. Complete the table below with the annual cost you expect for your business (e.g. your monthly phone cost x 12 = annual phone cost). It is important to do some research here to arrive at an accurate picture of what it will cost to operate your business.

Annual Operating Costs:

Operating Expenses:	
Advertising & Promotion	$0
Bank/PayPal/Processing fees	$0
Business dues, fees, memberships	$0
Business Insurance	$0
Delivery, Freight, Postage	$0
Equipment Lease	$0
Equipment Repairs & Maintenance	$0
Legal/Accounting/Professional	$0
Fees	$0
Meals & Entertainment	$0
Office expenses	$0
Other materials/Supplies	$0
Rent (other than home office)	$0
Telephone/Internet/Cell	$0
Travel Expenses	$0
Utilities (other than home office)	$0
Vehicle Expenses	$0
Vehicle Lease/Rent	$0
Wages & benefits (staff)	$0
Total Operating Expenses	$0

The total operating costs for XXX are estimated to be $0.00 per year.

Cash Flow Projection

A cash flow projection is an estimate of the timing and amount of cash coming in and cash going out over a specific period of time (usually a year). A cash flow projection can help you determine if your business needs to borrow money, and, if so, how much, when, and how it can repay the loan.

Sample Cash Flow Projection

For the period: From xxxx to xxxx

Revenue (money your business receives)

Cash Receipts	January projection	February projection	March projection	April projection
Estimated sales	$1000	$1100	$1100	$1000
Other income	$50	$0	$50	$25
Total cash receipts	**$1050**	**$1100**	**$1150**	**$1025**

Expenses (money your business pays out)
Use the information in your annual operating costs table to help you determine what your expenses will be each month. If it will be the same every month divide the total for the year by 12. Example: If the phone expense for the year = $1200. It is the same every month. Therefore you will have $100 per month for phone expense. If the expense comes once a year – example: a membership fee – put the whole expense into the month when you have to pay that expense.

Expenses	January projection	February projection	March projection	April projection
Phone	$100	$100	$100	$100
Membership fee			$250	
Total	**$100**	**$100**	**$350**	**$100**

Net Cash Flow (Profit/Loss)
Take the income and subtract the expenses to determine your ***cash flow (how much cash you have in the bank)***.

Then add the amount from month 1 to the next month to see how much money you have on hand. Subtract the expenses to see how much cash you have at the end of month 2.

Doing this you will see that if your expenses are higher than your income you will have a negative number (a loss). If your income is higher than you expenses you will have a positive number (a profit).

Net Cash flow	January projection	February projection	March projection	April projection
Monthly Cash on hand (Surplus or deficit)	$1050	$2050	$3100	$3775
Minus				
Monthly Expenses	$100	$100	$350	$100
Cumulative Net Cash Flow (Profit/Loss)	**$950**	**$1950**	**$2750**	**$3675**

Explanation: Refer to your revenue and expense information in the tables above.

January: You received $1050 in revenue. You paid $100 in expenses. Therefore you have $950 left at the end of the month.

February: You have $950 from January. You earn $1100 in revenue. Therefore you have ($950 + $1100) $2050 in the bank. You have $100 in expenses. Therefore at the end of the month you have ($2050 -$100) $1950 left in the bank.

March: You have $1950 in the bank. You earn $1150. Therefore you have ($1950 + $1150) $3100 in the bank. You have $350 in expenses. Therefore at the end of the month you have ($3100 – $350) $2750 left in the bank.

April: You have $2750 in the bank. You earn $1025. Therefore you have ($2750+$1025) $3775 in the bank. You have $100 in expenses. Therefore at the end of the month you have ($3775 – $100) $3675 in the bank