

Business Plan Questionnaire

For:

Date:

A. DESCRIPTION OF BUSINESS

1. Type of Business
2. Status of Business
3. Business Form
4. Why is your business going to be profitable?
5. Have you spoken with other people in this kind of business? What was their response?
6. What is special about your business?
7. How will you run the business?
8. When will (did) your business open?
9. What hours of the day and days of the week will you be in operation?
10. If business is seasonal, will the hours be adjusted seasonally?
11. What is your experience in this business?

B. THE MARKET

The basic marketing considerations are:

1. Who is your market? (*Who buys the kind of merchandise you stock?)

*May be defined by: geographic location; socioeconomic factors – income, age, occupation; ethnic factors, etc.

2. What is the present size of the market?
3. What percent of the market will you have?
4. What is the market's growth potential?
5. As the market grows, does your share increase or decrease?
6. How are you going to satisfy your market?
7. How are you going to price your service product, or merchandise to make a fair profit and, at the same time, be competitive?

When you have a feeling for your market, the following questions can be raised:

8. How will you attract and keep this market?
 - ❖ The image of the business
 - ❖ Pricing
 - ❖ Customer service policies
 - ❖ Advertising
 - ❖ Location
9. How can you expand your market?

The second aspect of your strategy (Item 7) concerns price:

10. What price do you anticipate getting for your product?

In setting the price for your business, you must consider:

- ❖ Costs of merchandise
- ❖ Labor and operating cost
- ❖ Planned profit

11. Is the price competitive?

12. Why will someone pay your price?

13. How did you arrive at the price? Is it profitable?

14. What special advantages do you offer that may justify a higher price? (You don't necessarily have to engage in direct price competition)

C. THE LOCATION

In this section of your business plan, you should answer the following:

1. What is your business address?
2. What are the physical features of your building?
3. Is your building leased or owned? State the terms.
4. If renovations are needed, what are they? What is the expected cost? Get quotes in WRITING from more than one contractor. Include quotes as supporting documents.

5. What is the neighborhood like? Does the zoning permit your kind of business?

6. What kind of businesses are in the area?

7. Have you considered other areas? Why is this one the desirable site for your business?

8. Why is this the right building and location for your business?

9. How does this location affect your operating costs?

10. Will the customer come to your place of business?

11. How much space do you need?

12. Will you want to expand later on?

13. Do you need any special features required in lighting, heating, ventilation?

14. Is parking available?

15. Is public transportation available?

16. Is the location conducive to drop-in customers?
17. Will you pick up and deliver?
18. Will travel time be excessive?
19. Will you prorate travel time to service calls?
20. Would a location close to an expressway or main artery cut down on travel time?
21. If you choose a remote location, will you have to pay as much as you save in rent for advertising to make your service known?
22. If you choose a remote location, will savings in rent offset the inconvenience?
23. If you choose a remote location, will the customer be able to readily locate your business?
24. Will the supply of labor be adequate and the necessary skills available?
25. What are the zoning regulations of the area?

26. Will there be adequate fire and police protection?

27. Will crime insurance be needed and be available at a reasonable rate?

D. THE COMPETITION

1. What is the competition in the area you have picked to locate?

a) The number of firms that handle my service _____.

b) Does the area appear to be saturated? _____.

c) How many of these firms look prosperous? _____.

d) Do they have any apparent advantages over you? _____

_____.

e) How many look as though they're barely getting by? _____.

f) How many similar services went out of business in this area last year? _____.

g) Can you find out why they failed? _____

_____.

h) How many new services opened up in the last year? _____.

i) How much do your competitors charge for your services? _____

_____.

j) Which firm or firms in the area will be your biggest competition? _____

_____.

List the reasons for your opinion. _____

_____.

_____.

2. Who are your five nearest competitors?
3. How will your operation be better than theirs?
4. How is their business? Steady? Increasing? Decreasing? Why?
5. How are their operations similar and dissimilar to yours?
6. What are their strengths and/or weaknesses?
7. What have you learned from watching their operations?

E. THE MANAGEMENT

In preparing the MANAGEMENT section, there are five areas to be covered:

1. Personal History of Principals
2. Related Work Experience
3. Duties and Responsibilities
4. Salaries
5. Resources Available to the Business

Properly treated, these five areas will help make a proposal more convincing and a business plan far more useful than could otherwise be the case. The aim is to spot areas of potential weakness before problems caused by them arise and put you out of business.

I. Personal History of Principals

This segment should include responses to the following questions:

1. What is your business background?

2. What management experience have you had?

3. What education have you had (including both formal and informal learning experience) which have bearing on your managerial abilities?

4. Personal data: age; where you live and have lived; special abilities and interests; reasons for going into business.

5. Are you physically up to the job? Stamina counts.

6. Why are you going to be successful at this venture?

7. A personal financial statement must be included as a supporting document in your business plan if it is a proposal for financing.

II. Related Work Experience

This segment is a detailed response to the experience factor mentioned earlier. It includes (but is not limited to) responses to the following:

1. Direct operational experience in this type of business;
2. Managerial experience in this type of business;
3. Managerial experience acquired elsewhere – whether in totally different kinds of businesses, or as an offshoot of club or team membership, civic activities, church work, or some other.

III. Duties and Responsibilities

*Who does what?

*Who reports to whom? And

*Where the final decisions get made?

Include:

1. Time for planning and reviewing plans;
2. Major operating duties (purchasing, sales, personnel, promotion, production, and so forth as appropriate for your business.
3. PLANNING

IV. Salaries

A simple statement of what the management will be paid is sufficient.

V. Resources Available to the Business

All businesses, no matter how tiny, need:

1. An accountant
2. A lawyer

3. An insurance broker

If you don't have these, get them immediately.

F. PERSONNEL

1. What are your personnel needs now? In the near future? In five years?
2. What skills must they have?
3. Are the people you need available?
4. Full or part-time?
5. Salaries or hourly wages?
6. Fringe benefits?
7. Overtime?
8. Will you have to train people? If so, at what cost to the business (both time of more experienced workers and money)?

Be careful—training personnel can be a hidden cost that you haven't counted on.

G. APPLICATION AND EXPECTED EFFECT OF LOAN

1. How is the loan or investment to be spent?

2. What is (are) the item(s) to be bought?

3. Who is the supplier?

4. What is the price?

5. What is the specific model name and/or number of your purchase?

6. How much did you (will you) pay in sales tax, installation charges, and/or freight charges?

Most importantly, ask yourself:

7. How will the loan make your business more profitable?