

A Business Plan for an Existing Business

Community Futures works with businesses at all stages of development, and for some established businesses the documentation required for a loan may not need to be as detailed as it needs to be for a start-up. If you have been in business for a few years and are looking for financing from Community Futures you may be able to provide us with an abridged business plan. For this option you must have two full years of financial statements where you have shown a profit, and you are not using the money to make significant changes to the way you conduct your business or to enter a new market. Ask your business advisor if this approach is appropriate for you.

An abridged business plan will consider all the points covered in our Business Plan Guide, but each point might be only a sentence or two long. For an existing business what we are primarily interested in is what you intend to use the money for, and how this will improve your business. We will still need a cash flow to show your ability to pay off a loan, and we will want to know about your business operation and the market you serve, but these descriptions can be quite concise. And unless you are financing new market development or producing a new product we will probably not need any new market research.

Just because you are providing an abridged business plan doesn't mean we don't want an organized and well formatted document with no spelling mistakes and proper sentence structure. The abridged plan will also need appendixes, including income statements, balance sheets, customer aged report, and other documents that support your cash flow projections.

Sections of an Abridged Business Plan

- Business Overview
 - What year did your business start
 - How many employees do you have
 - Will you hire additional employees if you get the loan
 - What is the ownership structure and the percent of ownership if you have partners
- Products and Services
 - Description of your products and/or services
 - Your competitive advantage, or why your customers do business with you
- Industry Overview
 - Size and growth of your industry
 - Segments within your industry and your target segments
- Marketing and Sales Strategy
 - Describe your target market and your typical customer
 - What are the marketing and advertising tactics you are using
 - Who are your competitors
 - How is your product or service sold, and what are your sales channels

- Operations
 - Profile of your management team, with resume, even if it is just you
 - An overview of your day to day operations
 - Describe your business facilities and any key equipment
 - Are there any environmental issues or government regulations related to your business
- Financial
 - Cash flow projections
 - Income statement and balance sheet for the past two years and current year to date
 - Amount of loan requested
 - Repayment preferred for the loan
 - Statement of uses and sources of funds

Remember, loan decisions at Community Futures are made by a committee, and the information you provide in your abridged business plan, with your financial statements, is the information the committee will use in making their decision.