



# Business Plan

A practical guide to assist you  
in developing a business plan



**1. Name of company:**

Company address:

City:

Postal code:

**2. Name of applicant:**

Applicant address:

City:

Postal code:

**3. Contacts:**

Telephone:

Cell:

Fax:

Email:

**4. Is this a new or existing business?**

New

Existing

Date the business was established:

**5. Company's sector of activity?**

**6. Have you ever been in business before?**

**7. Additional information**

Please answer the following questions:

a. Have you ever been or are you in the process of applying for protection under the Bankruptcy Act?

Yes

No

b. Have you ever been sued or been the subject of an originating notice?

Yes

No

c. Are you or the business in tax arrears to CRA (HST and Source Deductions)?

Yes

No

d. Have you received previous assistance from the Federal or the Provincial government?

Yes

No

If you answered yes to any of the above, please provide details:



## 1. Company overview

Information providing the context for your project. Describe your business. What is your area of expertise? Describe what you do, where you do it, how and why. What are your objectives and the company's values?



**2. Products and services**

Provide a list of products and/or services offered. Provide as many details as possible (i.e. pricing, supply of raw materials, transportation, etc.). If a similar one exists in your trading area, describe any advantage your business may have.

**3. Are your business services/products seasonal?**

Yes       No

If yes, provide period of business services:

What is your high season period?

**4. Legal form of Business (type of business)**

Sole proprietorship

Business name registration date

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Partnership

Registration date

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Incorporated

Date of incorporation

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Co-operative

Fiscal year end

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**5. Address of proposed location:**

I can provide the zoning certificate for the zoning of the property location.  Yes  No

Is the zoning adequate for your business?  Yes  No

Rent

Ownership

Rent per month

Property taxes (month)

Utilities/Heating (month)

Water/Sewers (month)

Other expenses (month)

Insurance (month)

Number of years of lease

Mortgage (month)

**6. Management (the person or persons responsible for the success of the business)**

Owners/Managers/Shareholders/Key Staff (please attach detailed resumes):

Name	Position	Key Roles	Shares Held (%) <sup>1.</sup>
<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>
<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>
<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>
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<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>
<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>
<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>

**7. Professional advisors**

Provide information on the following service providers:

	Name	Phone Number	Yearly estimated cost	Monthly estimated cost <sup>2.</sup>
a. Accountant	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>
b. Legal Advisor	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>
c. Insurance Co./ Agent	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>
d. Expert Advisor	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>
e. Banker Line of credit	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	Total allocated <sup>3.</sup>	<input style="width: 100%; height: 20px;" type="text"/>

**IMPORTANT :** 1., 2., 3., see page 30 for details.

## 1. Market Summary

How does the industry in which your business operates work (catering, transportation, construction, agriculture, health care, retail, etc.)? What are the trends, the challenges and the future projections of this business sector? Has the industry experienced growth? Who are the industry's major players?

## 2. What is the region where you will operate your business and what is the population of that region?

a. Region:

b. Population:

## 3. Describe the profile of your target market. Who are your customers (social status, occupation, income, lifestyle, purchasing frequency, reason for purchase, when, where and how they buy)?

Gender:  Male  Female  N/A

Age:  0 – 17  18 – 24  25 – 34  35 – 44

45 – 54  55 – 64  65 or more

How many customers in your market between the ages identified above?

**4. Trading area**

Will all your business be generated within your local community or will your business draw customers from surrounding communities? Explain.

**5. Market justification**

Why do you feel the identified trading area can support your proposed project?

**6. What is the average amount of money that one customer will spend per year on the products or services that you provide?****7. Who are your competitors in your market? List.**

## 8. Analysis of strengths and weaknesses

Select four businesses among your closest competitors and perform a comparative analysis of strengths and weaknesses.

### Strengths

Internal factors that positively influence your performance or the performance of your competitors. These strengths represent the foundation on which to build the future of a business. Here are a few questions to ask yourself and your competitors.

- What do you do exceptionally well?
- What benefits set you apart from your competitors?
- What are your best resources?
- What are your strengths according to your customers?

### Weaknesses

Internal factors that negatively affect your performance. These weaknesses provide important potential indicators for improvement. Here are a few questions to ask yourself and your competitors.

- What could you do better?
- What are the main criticisms raised by your customers, employees, providers, subcontractors, bankers, etc.?
- Where are you vulnerable ?

Competitors	Strengths	Weaknesses



**9. How to determine your potential sales in your target market. 4.**

- Total population of the city =  (the total number of individuals or businesses in the target area)
- Total potential customers =  (the number of individuals or businesses that represent your target customers)
- % of potential customers =
- Number of competitors =  (add 3 for the following elements: 1 new store, 1 Internet, 1 outside purchase)
- Your potential customers =  (total potential customers divided by the number of competitors)
- Estimated market share =
- Sales per customer =  (the average amount spent annually per customer)
- Your potential sales =  (number of potential customers multiplied by the annual buying average)

Example: Women's shoe store (target market: women between 18 and 65)

- Total population in the city = **16200** (8400 women, 7800 men)
- Total potential customers = **(200)** (8400 women, target market between 18 and 65: 6200)
- % of potential customers = **38%** (6200 women/16200)
- Number of competitors = **8** (5 + 1 new store + 1 purchase outside the area + 1 Internet)
- Your potential customers = **775** (6200 divided by 8)
- Estimated market share = **13%** (775 women/6200 women)
- Sales per customer = **\$180** (a woman spends on average \$180 per year on shoes)
- Your potential sales = **\$139500** (\$180 x 775)

**IMPORTANT :** 4., see page 30 for details.

**1. What promotional activities will you undertake to market your products and/or services?**

Example: radio, television, Internet, social media, posters, brochures, business cards, samples, trade shows, networking, newspapers, yellow pages, promotional balloons, special events, sponsors, 2 for 1 promotion, loyalty programs, etc.

**2. When and how often do you plan to carry out marketing activities?****3. Promotional budget**

Monthly advertising/promotion

**4. How did you determine your promotional costs?****5. What payment methods will you offer your customers?**

- |                                 |                                      |  |                                |
|---------------------------------|--------------------------------------|--|--------------------------------|
| <input type="checkbox"/> Cash   | <input type="checkbox"/> Debit card  | <input type="checkbox"/> Electronic payment (Paypal) | <input type="checkbox"/> Other |
| <input type="checkbox"/> Cheque | <input type="checkbox"/> Credit card | <input type="checkbox"/> Mobile payment              |                                |

**6. Will you provide credit to your customers?**

- Yes       No

**7. What are the terms of payment and what will be the accounts receivables percentage? <sup>5.</sup>**

- |    |         |   |         |   |         |   |
|----|---------|---|---------|---|---------|---|
| 6. | 0 day   | <input style="width: 80px;" type="text"/> | 30 days | <input style="width: 80px;" type="text"/> | 60 days | <input style="width: 80px;" type="text"/> |
|    | 15 days | <input style="width: 80px;" type="text"/> | 45 days | <input style="width: 80px;" type="text"/> | 90 days | <input style="width: 80px;" type="text"/> |

**IMPORTANT :** 5., 6., see page 30 for details.

**1. Location**

Why did you choose this location? If you are planning to rent a commercial space, what are the lease conditions? How do you stack up against the competition? Explain.

**2. What are your hours of operation?**

	Opening	Closing
Monday	<input type="text"/>	<input type="text"/>
Tuesday	<input type="text"/>	<input type="text"/>
Wednesday	<input type="text"/>	<input type="text"/>
Thursday	<input type="text"/>	<input type="text"/>
Friday	<input type="text"/>	<input type="text"/>
Saturday	<input type="text"/>	<input type="text"/>
Sunday	<input type="text"/>	<input type="text"/>

**3. Legal matters**

Identify what legal and regulatory matters, such as licenses and contracts, need to be addressed. Briefly explain how you will obtain them.

- Business license (e.g., daycare, hair salon, dealership, gas station, etc.)
- Regulations relevant to location and zoning
- Health inspection
- Intellectual property (e.g., patents, trademarks and copyright)
- Industry-specific licenses (e.g., dentistry, alternative medicine, etc.)
- Import/Export
- Employee registration
- Contractual agreements (partnerships, self-employed workers, etc.)
- Other legal matters. Explain.

**Important:** Did you receive the necessary licenses and permits from the regulatory agencies (Department of Health, Public Safety, Environment, Social Development, Agriculture, Aquaculture and Fisheries, Ministry of Corporate Affairs, Canada Revenue Agency, etc.)?





## 1. Start-up costs <sup>10.</sup>

How much money do you need to start your business? In the first column, list all items you will need to start your business and the costs related to each one. In the next column, specify the source of funding.

Funds used		Source of funds		Monthly payment
Land	<input type="text"/>	CBDC	<input type="text"/>	<input type="text"/>
Building	<input type="text"/>	Bank/Credit Union	<input type="text"/>	<input type="text"/>
Equipment	<input type="text"/>	Provincial Government	<input type="text"/>	<input type="text"/>
Vehicle	<input type="text"/>	ACOA	<input type="text"/>	<input type="text"/>
Leasehold improvements	<input type="text"/>	BDC	<input type="text"/>	<input type="text"/>
Inventory	<input type="text"/>	Owner's contribution	<input type="text"/>	<input type="text"/>
Working capital	<input type="text"/>	Miscellaneous	<input type="text"/>	<input type="text"/>
Miscellaneous*	<input type="text"/>	Miscellaneous	<input type="text"/>	<input type="text"/>
<b>Total</b>	<input type="text"/>	<b>Total</b>	<input type="text"/>	<input type="text"/>

\*Legal fees, accounting, operating license, etc.

Details:

## 2. Owner's contribution

Are you providing assets or making a personal investment?

Yes       No

Are you getting a personal loan or line of credit?

Yes       No

Details on either of the two questions:

**IMPORTANT :** <sup>10.</sup>, see page 30 for details.

### 3. Historical financial statements

#### Documents to enclose as attachments:

- a. Balance sheet for the last three years (for existing businesses only)
- b. Financial statements for the last three years (for existing businesses only)
- c. Income statement for the current year (for existing businesses only)
- d. Statement of cash flow (projected on a monthly basis for the first two years of operation)
- e. Break-even
- f. Income tax (please provide your personal tax notice for the last three years)

### 4. Fixed and variable costs

Virtually all of the costs associated with your business will fall into one of two categories:

#### Variable costs

These costs change in proportion to the level of activity (sales in dollars or units sold) of a business. Some examples of variable costs are:

- Wages for part-time or temporary employees
- Delivery charges
- Cost of goods sold
- Utilities

#### Fixed costs

These costs remain the same regardless of the level of activity (sales in dollars or units sold) of a business. Some examples of fixed costs are:

- Rent
- Interest on debt
- Publicity
- Telephone
- Tax
- Insurance
- Business licenses (e.g. Liquor license)
- Salary of permanent or full-time employees
- Loan payments

### 5. Profit Margin

What will be the gross profit margin percentage of products and services sold?  11.  
(if you have several products/services, calculate the average)

You can calculate the gross profit margin using the following method:

$$\text{Gross Profit Margin (\%)} = \frac{\text{Sales Price (\$)} - \text{Cost Price (\$)}}{\text{Sales Price (\$)}} \times 100\%$$

**IMPORTANT :** 11., see page 30 for details.

## 6. Forecast assumptions

Overall, what are your assumptions with regards to the sale of your products or services? An efficient sales forecast is based on the analysis of certain basic assumptions, while providing realistic estimates.

Please demonstrate how you have calculated or validated your projected sales per week, month or year.

**Here are two examples:**

### Service-type business

A → Your hourly rate billed to clients (\$50/hr)

B → Number of hours projected to be charged to clients (30 hrs/week)

C → Total revenues for the week

$$A \times B = C$$

$$(\$50/\text{hr}) \times (30 \text{ hrs/week}) = \$1,500/\text{week}$$

### Retail-type business

A → Price of item sold (\$30)

B → Number of items sold during the period (50)

C → Total revenues for period

$$A \times B = C$$

$$\$30 \times 50 = \$1,500$$

### Cost of goods sold

With the total amount of items calculated in your sales forecast, please determine the total cost of items sold (i.e. the manufacturer's cost). Here is an example:

A → Purchase price of item sold (\$15)

B → Number of items sold during the period (50)

C → Total cost of goods sold for period

$$A \times B = C$$

$$\$15 \times 50 = \$750$$

## 7. Cash Flow

Establishing cash flow allows you to determine monthly inflows and outflows. It indicates whether the company will have enough money to meet its capital needs each month. By making a projection of these financial statements, the business can predict if it will have enough cash flow to cover its expenses and if it will turn a profit.

That being said, cash flow analysis is an essential activity for small and medium-sized businesses. It allows for projections, thus avoiding the need to resort to emergency measures at the last minute. Cash flow analysis allows you to test your own assumptions and to ensure that you haven't overlooked anything.





**Other monthly expenses** (please provide any quotation or contract to justify the projected expenses)

**Vehicle:**

Please detail the expenses related to the vehicle that will be used for the business operation, including costs of gas, insurance, lease or loan payment, and maintenance costs.

Costs:

**Office supplies:**

Please detail all costs for office supplies such as paper, ink, computer supplies, etc.

Costs:

**Bank fees:**

Please indicate all costs for banking services such as monthly account fees, Interac/debit fees or credit card fees. If you plan on having a large portion of your sales paid via credit card, please provide the cost of this service, usually in percentage of sales.

Costs:

**Rental equipment:**

Please provide the total costs for any rental made by the business.

Costs:

**Taxes & licenses:**

Please indicate all permits, with their costs required to operate your proposed business.

Costs:

**Telephone & Internet:**

Please indicate the costs for your business telephone, cellular, Internet and fax connection.

Costs:

**Equipment maintenance:**

Please provide the costs of equipment maintenance for your business.

Costs:

**Training:**

Please provide the cost of training for your business.

Costs:

**Depreciation:**

**Computer Equipment**

Costs:

**Other Equipment**

Costs:

**Building**

Costs:

**Vehicle**

Costs:

Please detail all expenses related to the business that are not included in the above categories, and specify whether they are extraordinary or current expenses. 12.

**Other expenses:**

Costs:

**Other expenses:**

Costs:

**IMPORTANT :** 12., see page 30 for details.



# Cash Flow Statement (1<sup>st</sup> year)

Opening balance	Month 1	Month 2	Month 3	Month 4	Month 5
-----------------	---------	---------	---------	---------	---------

## Sales

Sales (less HST) 13.


Total sales

## Cost of goods sold

Product purchase (less HST) 14.

Salary and commission

Transportation

Other

Total cost of goods sold

Total gross profit


## Receipts

Cash in (15, 30, 45, 60 days) 15.

Cash sales

Receivables collected

Loan proceeds

Total cash receipts


## Disbursements

Cash out

Insurance 16.

Equipment 17.

Electricity/heating

Water/Sewers

Employees (benefits)

Employees (wages)

Maintenance (building and equipment)

Training


\*Please fill out the fields in red.

**IMPORTANT :** 13., 14., 15., 16., 17., see page 30 for details.

Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	TOTAL
------------	------------	------------	------------	-------------	-------------	-------------	-------







# Cash Flow Statement (1<sup>st</sup> year) (continued)

Opening balance	Month 1	Month 2	Month 3	Month 4	Month 5
-----------------	---------	---------	---------	---------	---------

## Disbursements (continued)

Office supplies					
Bank service fees					
Professional fees (accounting)					
Professional fees (legal) 18.					
Property tax					
Rent					
Mortgage					
Advertising					
Loan payments 19.					
Owners Drawings/Wages & Benefits					
Taxes, licences & permits					
Telephone (Internet)					
Vehicle fees (fuel, maintenance, lease)					
Depreciation					
Other 20.					
Other 21.					
<b>Total disbursements</b>					

## Summary

Total cash receipts					
Add: Cash previous month					
Equals: Total cash available					
Less: Total disbursements					
Result: Closing bank balance					

## Line of credit

Line of credit (available)					
<b>Result: Bank balance</b>					
Line of credit (outflow)					
<b>Equal: Closing balance</b>					
Reimbursement – Line of credit					
Available balance on credit line					

**IMPORTANT :** 18., 19., 20., 21., see page 30 for details.





# Cash Flow Statement (2<sup>nd</sup> year)

Opening balance	Month 1	Month 2	Month 3	Month 4	Month 5
-----------------	---------	---------	---------	---------	---------

## Sales

Sales (less HST) <sup>22.</sup>


Total sales

## Cost of goods sold

Product purchase (less HST) <sup>23.</sup>

Salary and commission

Transportation

Other

Total cost of goods sold

Total gross profit


## Receipts

Cash in (15, 30, 45, 60 days) <sup>24.</sup>

Cash sales

Receivables collected

Loan proceeds

Total cash receipts


## Disbursements

Cash out

Insurance

Equipment

Electricity/heating

Water/Sewers

Employees (benefits)

Employees (wages)

Maintenance (building and equipment)

Training


\*Please fill out the fields in red.

**IMPORTANT :** 22., 23., 24., see page 30 for details.

Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	TOTAL
------------	------------	------------	------------	-------------	-------------	-------------	-------







# Cash Flow Statement (2<sup>nd</sup> year) (continued)

Opening balance	Month 1	Month 2	Month 3	Month 4	Month 5
-----------------	---------	---------	---------	---------	---------

## Disbursements (continued)

Office supplies					
Bank service fees					
Professional fees (accounting)					
Professional fees (legal)					
Property tax					
Rent					
Mortgage					
Advertising					
Loan payments					
Owners Drawings/Wages & Benefits					
Taxes, licences & permits					
Telephone (Internet)					
Vehicle fees (fuel, maintenance, lease)					
Depreciation					
Other					
Other					
<b>Total disbursements</b>					

## Summary

Total cash receipts					
Add: Cash previous month					
Equals: Total cash available					
Less: Total disbursements					
Result: Closing bank balance					

## Line of credit

Line of credit (available)					
<b>Result: Bank balance</b>					
Line of credit (outflow)					
<b>Equal: Closing balance</b>					
Reimbursement – Line of credit					
Available balance on credit line					







# Forecasted Income Statement

Income:	Year One	%	Year Two	%
Sales				
Other revenue				
<b>Total Sales</b>				
Less: Cost of Sales				
<b>Gross Profit</b>				
(Total Sales – Cost of Sales)				
<b>Expenses:</b>				
Insurance				
Equipment				
Electricity/heating				
Water/Sewers				
Employees (benefits)				
Employees (wages)				
Maintenance (building and equipment)				
Training				
Office supplies				
Bank service fees				
Professional fees (accounting)				
Professional fees (legal)				
Property tax				
Rent				
Mortgage				
Advertising				
Loan payments				
Owners Drawings/Wages & Benefits				
Taxes, licences & permits				
Telephone (Internet)				
Vehicle fees (fuel, maintenance, lease)				
Depreciation				
Other				
Other				
<b>Total Expenses</b>				
<b>Net Profit (Loss)</b>				
(Gross Profit – Total Expenses)				



**Assets:**

Assets:

Cash

Accounts Receivable

Inventory

Prepaid Expenses

Other Current Assets

**Total Current Assets**

**(A)**

**Fixed Assets:**

Land

Building(s)

Furniture & Fixtures

Vehicles

Equipment

Other Assets

**Total Fixed Assets**

**(B)**

**Total Assets**

**(A+B)**

**Liabilities:**

Current Liabilities:

Bank Indebtedness

Accounts Payable & Accrued Liabilities

Income Tax Payable

Other expenses

**Total Current Liabilities**

**(C)**

**Long Term Debt:**

Mortgage

Loans from Shareholders

Other Long Term Debt

**Total Long Term Debt**

**(D)**

**Total Liabilities**

**(C+D)**

Shareholders' or Owners' Equity

**(E)**

Total Liabilities + Shareholders' or Owners' Equity

**(C+D+E)**

**Note: (A+B) = (C+D+E)**

## Break-even point

What is the break-even point? It is the point where revenues and expenses are equal or it is the level of sales at which profit is zero. In other words, the break-even point is the point at which your product stops costing you money to produce and sell, and starts to generate a profit for your company.

The break-even point is the point at which the company neither makes a profit nor suffers a loss; essentially, they are spending what they make. No one opens a business with the hopes of just breaking even! All entrepreneurs want a return on the time and money they've invested into their business, as well as the risks that they have taken. Therefore, they hope to make a profit. Thus, it is very important to use this work tool when you are at the planning stage of your business.

In order to determine the break-even point, an entrepreneur must first know the selling price of the product, the costs that change directly in proportion to the product sold (variable costs), as well as the other current expenses of the business (fixed costs).

Below are the steps to use to determine the break-even point on a monetary basis:

### Step 1 - Categorize your costs

Using your most recent income statements, categorize your costs in **fixed** or **variable** costs and add up the total for each category.

Total Net Sales =

Total Variable Costs =

Total Fixed Costs =

### Step 2 - Calculate the percentage of variable costs

*"What is the percentage of each dollar of sales used to cover variable costs?"*

$$\text{Percentage of Variable Costs} = \frac{\text{Total Variable Costs}}{\text{Total Net Sales}} = \frac{\text{[ ]}}{\text{[ ]}} = \text{[ ]}$$

### Step 3 - Calculate the contribution margin

*"From each dollar of sales (after payment of variable costs), what percentage remains to cover fixed costs... as well as the intended profit?"*

$$100\% - \text{Percentage of Variable Costs} = 100\% - \text{[ ]} = \text{[ ]}$$

### Step 4 - Calculate the volume of sales required to break even

"How much money must you earn to cover your fixed costs?"

Volume of Sales Required to Break Even =

$$\frac{\text{Total Fixed Cost}}{\text{Contribution Margin}} = \frac{\boxed{\phantom{000000}}}{\boxed{\phantom{000000}}} = \boxed{\phantom{000000}}$$

**Note:** To calculate the volume of sales required to generate the intended profit, add the intended profit to your total fixed costs and divide this amount by your contribution margin.

### Step 5 - Verify your calculations

"Does the volume of sales you just calculated allow you to break even or generate the profits you intended?"

Volume of sales required to break even	=	<input style="width: 95%;" type="text"/>
<i>Minus</i> Variable Costs *	-	<input style="width: 95%;" type="text"/>
<i>Equals</i> Contribution	=	<input style="width: 95%;" type="text"/>
<i>Minus</i> Fixed Costs	-	<input style="width: 95%;" type="text"/>
<i>Equals</i> Profit	=	<input style="width: 95%;" type="text"/>

\*To determine this amount, multiply the break-even point (above) by the percentage of variable costs from Step 2.

1. **Enclose the necessary attachments, those that support your business plan and that will help you in selling your idea.**

**Here are some examples:**

- Resume
- Certificate and/or diploma
- Letter of intent from potential customers
- Letter of interest from providers
- Data from the market study
- Results of a survey of potential customers
- Product literature and brochures
- Business operating license
- Zoning certificate
- Shareholders or partnership agreement
- Last three years of financials
- Last three years of Balance Sheet
- Other relevant documents

✓ Make sure you have included all necessary documents to support your plan.

✓ Make sure you have included all items to support your assumptions, trends and comparisons.

1. Explanation: you must enter your number as a decimal number; e.g.: 0.25 = 25% or 0.05 = 5%.
2. Explanation: you must enter the number in the "Yearly estimated cost" column in order to automatically display the monthly estimated cost.
3. Explanation: you must enter the total (and not monthly) allocated amount of the line of credit in this field.
4. Explanation: in this exercise, it is important to make a good projection of your target market and potential sales, since your result is related to the cash flow statement (at the end of the document).
5. Explanation: the rates entered in this exercise will influence the cash in presented in the cash flow statement (at the end of the document). For the purpose of the exercise, you must enter 100% of the projected payment terms; for example, you can enter that 70% of clients will pay in "0 days", that 20% will pay in "30 days" and that 10% will pay in "90 days".
6. Explanation: you must enter your number as a decimal number; e.g.: 0.25 = 25% or 0.05 = 5%.
7. Explanation: the anticipated salaries/wages must be on a monthly basis.
8. Explanation: the projected benefits (estimated at 12%) are automatically displayed when you enter your numbers in the "Salaries/wages" column.
9. Explanation: the numbers entered in this exercise are not related to the cash flow statement (at the end of the document).
10. Explanation: the estimated costs entered in the "Funds used" column are not related to the cash flow statement (at the end of the document).
11. Explanation: in this field, it is important to enter the best approximation of the anticipated gross profit margin by taking into account all of the products and services, since your result is related to the cash flow statement (at the end of the document).
12. Explanation: the numbers entered in the two fields for other expenses are added up in the cash flow statement (at the end of the document). Please do not repeat the other expenses already entered on page 4 (exercise 5).
13. Explanation: the numbers stated take into account your anticipated potential sales from page 8 (exercise 9).
14. Explanation: the numbers stated take into account your anticipated gross profit margin from all of your products and services sold on page 14 (exercise 5).
15. Explanation: the monthly cash in takes into account the rates entered on page 9 (exercise 7).
16. Explanation: this line adds up the two numbers from page 4 (the insurance for the address of the proposed location and the insurance for professional advisors).
17. Explanation: the expenses from this line only refer to the rental equipment from page 16. If there are other equipment related expenses, please add them in the "Other expenses" field on page 16.
18. Explanation: the professional fees (legal) add together the legal and expert advisors from page 4 (exercise 7).
19. Explanation: this represents the total monthly payment for the source of funds (page 13, exercise 1).
20. Explanation: these "Other" expenses refer to page 4 (exercise 5).
21. Explanation: these "Other" expenses refer to the sum of the other expenses presented on page 16.
22. Explanation: the sales from the second year are automatically indexed at 10% in comparison with the first year.
23. Explanation: the cost of goods sold in the second year is automatically indexed at 10% in comparison with the first year.
24. Explanation: the cash in from the second year is automatically indexed at 10% in comparison with the first year.