

Outline for a Business Plan

Formulating a business plan is a critical element in completing the application for tax-exempt status as it will help you determine how to structure your organization and will serve as an invaluable tool in helping you draft the narrative statement for the application.

I. Summary

This should give the reader a quick preview of the contents of your business plan. It should highlight the key points of the plan and identify the opportunities for success. One to three pages long; it should include brief statements regarding:

- A description of your goal and why you are well-suited to meet it
- The organization's origins and planned activities
- Identification of who you will be serving
- Tangible community benefits
- Key management personnel and their particular strengths
- Summary of current financial status and financial projections
- Financing sources

II. Description of Organization

This section should provide background information on your organization and other organizations with similar goals. Subsequent sections will build on information provided here.

A. The organization's history

- When did you first start working on this idea?
- How did you choose this particular service as the one you wanted to provide?
- What is your overall objective?
- What is the organization's initial capitalization (funds and their source)?
- What successes have you encountered thus far?
- What problems have you encountered so far?

B. Other organizations doing similar work

- What other groups have similar goals?
- What is their current status and potential?
- What programs do they have up and running? Planned?

III. Description of Organization's Services

This Section should provide the reader with a **firm** understanding of exactly what the organization will be doing—what service(s) it provides. The service should be described in detail, including unique features, advantages, special know-how, etc.

- What is the service?
- What are all the specific programs you have in mind? Prioritize them.
- How will they work?
- Who will use them?
- When will they take place? (year round, summer only, etc.)
- How does it differ from the programs that are already out there?

IV. Market Research and Analysis

This section should present sufficient facts to support projections about the demand for your programs. It should clearly identify your market, assess other programs and define the organization's plan and strategy.

A. The Market/Customers

- Who are they?
 - Where are they?
 - How many of them (in your anticipated service area)?
 - Why do they need this service?
 - Why will they participate?
 - How will you identify them?
 - How will they find out about your program?
 - Will they be able to get to it?
- B. Competition
- Who are the groups doing other similar things?
 - What are their strengths and weaknesses?
 - Compare this with your organization
- C. Plan and strategy
- Goals and objectives (how many people do you want to help)?
 - Method of contacting customers?
 - Advertising tactics
 - Ability to deliver

V. **Operations**

This section should describe the process to achieve delivery of the service. It should include a description of the facility, equipment needs, labor needs, process and control.

- A. Description of your office
- Describe the facility (include size, square footage of office space, parking availability)
 - Will the office be leased? Include terms of lease such as payment, duration, identity of lessor, address.
 - Access to transportation for staff/volunteers.
 - Necessary utilities available?
 - Zoning (is it allowed?)
 - List supplies needed (such as computer, fax, phone, stationary, desks, chairs, file cabinets, general office supplies, etc.)
- B. Description of the facility where the programs will take place
- Describe the facility (include size, building type, square footage, parking availability).
 - Will it be leased? Include terms of lease such as payment, duration, identity of lessor, address.
 - Will it be donated space free of charge?
 - Is the space appropriate for the planned programs?
 - Is there storage space for the program equipment supplies?
 - Access to transportation for staff/volunteers and program participants
 - Necessary utilities available?
 - Zoning (is it allowed?)
- C. Labor force
- Type of labor necessary (tutors, program directors and organizers, office personnel, accounting, etc.)
 - Description of exact duties and responsibilities of each job
 - Organizational chart
 - Availability of trained labor
 - Training the organization will have to do
 - Recruitment strategy
 - Average salary, if any, by employment category

VI. Management/Board of Directors

- Organizational chart of key management roles, and identify individuals to fill those roles.
- Description of exact duties and responsibilities of key management positions.
- Discussion of how respective individuals fit their management positions. (Stress experience, results, education, and training).
- Discussion of prior situations in which key management people have worked together and indicate how their skills and personalities complement each other and result in effective team. Include resumes of all key management people.
- Details of management compensation, if any
- Board of directors
 - How many
 - Identification
 - Brief statement concerning expertise each member brings to the board

VII. Timetable

This section should outline a schedule of major events necessary to realize the goals and objectives outlined in the business plan. Include a discussion of factors, which may alter the schedule and possible corrective steps.

VIII. Risks

Identify and discuss major problems and risks that may affect the success of the plan. Outline potential strategies to overcome these problems if and when they occur. Factors to consider include:

- Longer than anticipated schedule
- Difficulty in raising sufficient funds
- Unanticipated costs
- Difficulty in finding volunteers
- Lower demand than anticipated

IX. Financial Plan

This section must include historical and projected future results. The information presented must be reasonable in relation to the information presented in other sections of the business plan. Underlying assumptions should be disclosed along with the basis for those assumptions. A discussion of required financing should be included.

A. Projected cash-flow information

- Month-by-month anticipated income and expenditure for the next year
- Quarterly (every 3 months) anticipated income & expenditure for years two and three
- Year-end balancing sheets for each of the next three years

B. Financing required

- Amount needed (include projected costs for all the items already included, as well as overhead items such as insurance, etc.)
- Purpose
- Sources of :
 - Cash donations (who will give you money?)
 - In-kind donations (such as food, t-shirts, sports equipment)
 - Institutional grants