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Business Plan Guide

A structured guide with worksheets to assist you in the development of your business plan, financial projections, and operating budget.

Adapted from materials written by Donald J. Reilly

The following format has been designed to give the business planner a brief list of some of the questions one must address before beginning to write each part of the plan. The list of questions is in no way complete but is intended to assist the planner in analyzing some of the areas that must be considered. After the lists of questions is an example of what a common business plan begins to look like. The examples are incomplete and are only intended to give the first time planner an idea of the format.

These pages are intended to help you in organizing your thoughts and to give some very basic examples to assist you in writing your business plan. The examples are very short and concise. They are only intended to show you one standard type format. Your business plan should be much more specific and extensive and should present your ideals, perceptions and goals. Note: Your first attempt to put together a business plan will probably not be the last. There are over 50 examples of sample business plans at www.sba.gov.

PART 1 - BUSINESS PLAN NARRATIVE

THE COVER

The final product should be a well-structured document that distinctly identifies its content.

The cover should be short and concise clearly indicating:

1. Purpose of the plan
2. Company/person name
3. Address
4. Telephone number
5. Proposal writer if different from the owner
6. Date of the proposal

PLAN OBJECTIVE

This should be a brief, executive summary of the key elements of the business plan. Its purpose is to capture the interest of prospective investors.

There are two basic reasons for the development of a business plan.

- ✓ To be used as an Operating Guide
- ✓ To be used as a Financing Proposal

If the plan is to be used as an internal operating and policy guide, the purpose should be clearly and simply stated. If the plan is to be used as a financing proposal the statement of objectives should include more detailed information which will let the reader (lender or investor) know immediately what the amount and intent of the funds will be used for.

The lender or investor will want to know immediately:

- Who is asking for the money?
- How much is being requested?
- How the monies will be used?
- How the funds will be repaid?

TABLE OF CONTENTS

Every business-planning document should contain a Table of Contents. This page will allow the lender or investor to quickly review your document and determine if all the criteria for making a decision are contained in the package.

All of the components suggested in the following sample plan are necessary for a complete comprehensive plan. Additional data or information may be added as necessary.

The Table of Contents cannot be completed until you have decided on the format and components. It will be the last task in completing the plan. The Table of Contents shown in this example may not match your Table of Contents exactly.

QUESTIONS:

- Have you titled each part of the plan?
- Have you included all of the parts in the Table of Contents?

BUSINESS PROFILE

This section of the business plan should outline the business profile. Indicate the type of business, its organizational structure, the principals, and the type of industry.

Who are you? What are you? Where are you going? These questions must be clearly defined in your business plan.

QUESTIONS:

Who are you?

- Name of the business
- Location of the business
- Organizational structure of the business; e.g., Sole Proprietorship, Partnership, Corporation, "S" Corporation, Limited Liability Company or General Limited Liability Partnership (LLC or LLP)
- Management and owner names
- Hours of operation

What are you?

- Start- up, ongoing, expanding business, acquisition
- Retailer, manufacturer, wholesaler, service company
- Type of product or service you offer
- If product, where do you get your products from – will you manufacture
- Market and customers you serve
- If you have an existing business: brief history including financial performance
- If an acquisition, why is the seller selling, how will you grow the business
- If an expansion, why, and what will the effects be on the business

Where are you going?

- What changes do you anticipate for the business over the next 3 years
- What goals do you have for the business over the next 3 years
- Why will you be a success?

MARKET PROFILE

Before deciding on a business venture you should have already determined that there is a **need for your product or service**. Now you must develop a plan to reach the potential customers.

Development of a marketing strategy begins with your expertise. You must know the **wants** and **needs** of your potential customers and develop a strategy to entice those customers to buy from your company.

Your sales potential depends on varying factors, location, product line, traffic, competition, the economy, etc. It is imperative that you examine all of the factors to develop your sales potential.

Examine your market and the competition and its pricing structure. You should have the answer to the following questions:

QUESTIONS:

- Is there a real need for the product or service to be provided?
 - How do you know?
 - What industry data do you have?
- Is the market growing or declining? Why?
- What are the important trends in your business and industry?
- Who is the target customer? Customer segment? (geographic, demographic, psychographic)
- What is unique about the product or service?
- Why should the customers buy from you instead of the competition?
- Will prices be competitive?
- How can you attract customers to buy from your company?
- What will your sales and marketing efforts cost?
- How can you keep the business? Will you have repeat sales?
- What will be the channels of distribution? (how will you sell and deliver your product or service)
- Will you use the internet?

COMPETITION PROFILE

In order to determine the feasibility of any venture, the competition must be analyzed in depth. By studying your competition you should be able to determine the viability of your product or service. You should have a thorough knowledge of the strengths and weaknesses of your competitors and the advantages and disadvantages you have in comparison to them. Your venture will be successful only if you can **be competitive** and still **make a profit**.

Your competition can put you out of business. On the other hand, your competition can allow you to penetrate the marketplace if they are not serving the needs of their customers. And, believe it or not, your competition can actually become a source of business for you.

Do not attempt to enter a marketplace that is already saturated with your type of business or service. Your share of that market may not be enough for economic survival. Avoid making the mistakes of your competitors but also incorporate their positive practices.

You must be aware of the competition's position in the market and their strategic moves that will affect your business. Counter the competition's moves with your own strategies. If possible, attempt to get yourself into a position in which the competition has to counter your strategic marketing moves.

The easiest way to keep abreast of the competition's strategies is to develop a personal relationship with the salespeople who call on both you and the competition. They generally know when your competition is planning an advertising campaign, sale or promotion. They can be a wealth of information to you.

QUESTIONS:

- Who are the competitors?
- How close are the competitors?
- How will the competition react to your entry into the market?
- What are the weaknesses of the competition? How can you capitalize on them?
- What are the strengths of the competition? How can you use them?
- What are the sales trends of the competition? Why?
- What percent of the competition's market can you expect to take?
- How competitive can you be with pricing?
- How do you compare in quality?
- How do you compare in service?

LOCATION, FACILITIES, EQUIPMENT AND ECONOMY

A high priority in starting or buying a business is its location. You must appraise the overall business picture. Where is the location? How is the location to be equipped? Does the facility require any special considerations, i.e. ceiling heights, floor weights, loading docks, lighting, and storage? What is the general appearance of the neighborhood? Is the market nearby? What are the zoning, parking, traffic and transportation situations, and labor market?

Depending on the type of business, each consideration must be analyzed. The criteria for location will generally be dictated by the industry, retail, manufacturing, wholesale or service. Each factor must be considered according to its importance and cost.

Consider the equipment needs of the business. The facilities must be able to accommodate the equipment. The cost, style and appearance will vary with the type of business. Noise and pollution considerations must be analyzed. Select your location carefully. Thorough investigation of the location and facility requirements may save you much anguish in the future. Get adequate legal advice before signing any lease or purchase agreement. Some businesses are directly affected by the economy or by specific regulations. Be sure to be aware of these issues.

QUESTIONS:

- How much space is needed?
- Will you buy or lease the building space?
- Is the site properly zoned for your type of business?
- Will you have a lease? How long?
- What is the cost per square foot?
- Is the facility cost efficient?

- How much renovation is necessary?
- What are the electrical, sewer and utility services? Are they in place?
- Is the facility adequate to house your equipment?
- Is there adequate public transportation, commercial transportation?
- Is the proximity to the airport, highway, railroad or seaport a factor?
- Is there adequate parking for your customers, employees?
- Can you expand if necessary?
- What services are provided, rubbish, snowplowing?
- What type of equipment do you need? Can you find used equipment?
- If you will be manufacturing, describe the manufacturing process and physical requirements.
- If relevant to your business: What's happening in the local, national and/or global economy? What are the trends? Will you have regulatory or environmental issues to deal with?

MANAGEMENT PROFILE

Explain in detail your business qualifications and also those of your managers. Direct experience in the industry is important for your understanding of the business. Explain who will be the manager, who answers to whom, what types of skill the managers possess. Consider the following:

- Will your company employ the services of an attorney, an accountant, and other professional people?
- How will the managers of the enterprise be compensated?
- What is the chain of command?
- What experience does your management possess?

All of the above information is essential to the plan. You may wish to develop job descriptions for all of your employees, both management and line so that each employee knows what is required of them.

QUESTIONS:

- Who will manage the business?
- What experience is necessary?
- What special training, education or abilities do you or your managers have?
- What management experience do you have?
- Who is the company's accountant?
- Who is the company's attorney?
- Who is the company's insurance advisor?
- What other resources are available to management?
- Does the corporation have a board of advisors or directors?
- If necessary, who will manage in the absence of you or the manager?

PERSONNEL PROFILE

The personnel requirements for any business are usually unique to that particular business. Wage rates are generally dictated by the skills required to complete the task assigned. The area or the going rate for the industry may also affect wage rates. Therefore each individual job must be analyzed and tasks designated.

Develop job descriptions for each job category. Analyze the educational level, skill required, and working conditions. If possible develop wage scales for each job depending upon experience, seniority and importance of the position.

Develop an **organizational chart** clearly indicating the chain of command. The more sophisticated your company's structure the more important the management team becomes.

If the business is to be departmentalized, indicate clearly the lines of authority and duties. *Management progression* is extremely important. If you are ill or injured who will manage in your absence?

Before you hire your first employee, full or part time, you are required by law to have *Workmen's Compensation Insurance* in place. The rates are determined by the amount of risk involved in the job tasks and are set and regulated by the state. You must also have a **federal** and **state identification number** to deposit taxes withheld and the company's tax obligations.

If your company is a **proprietorship** with no employees, you are not required to have Workmen's Compensation Insurance or tax identification numbers. If your company is a **partnership or corporation** you are required to have them.

QUESTIONS:

- What are your current and future personnel requirements?
- Who will train the people?
- What skills must they have?
- What education is necessary? Technical, business?
- Are the people you need available in the area?
- Will your employees be full time, part time?
- Will you pay hourly wages, salaries?
- Will you provide fringe benefits? Vacations, insurance?
- What will you pay each employee?

ADDITIONAL INFORMATION

If the business is to be a manufacturing company add a section on the product and manufacturing method. If the product has a patent or a patent pending, the information should be mentioned in the plan. Proprietary products are important to potential investors.

If the company is to be a service organization and the service to be rendered is unique, offer an explanation and description of the service.

Enter into the business plan all information you feel is important to the operation of the business. The plan can be as extensive as you wish. Remember that the plan is an operating guide and may be referred to later. The plan may be streamlined if it is to be used as a financing package.

Additional sections you may wish to add to the plan:

- The product or service
- Manufacturing procedures
- Patent or trademark information
- Job descriptions
- Detailed marketing/sales strategies

Note: The sample Business Plan Narrative and Financial Data do not represent a real company or real financial estimates. You will need to gather your own data.

PART TWO – FINANCIAL INFORMATION

STATEMENT OF FINANCING NEED AND PURPOSE

The potential lender or investor in your venture wants to know how much you wish to borrow, for how long, and how you intend to use the funds. The Loan Application Summary should clearly outline all of this information. The summary will be a single page description showing how both your equity investment and the borrowed or invested funds will be used.

Before determining the total dollar amount needed, you must first do some basic income and cash flow projecting.

After you develop your projections you should know how much money is needed to start and operate your company.

The Loan Application Summary should indicate:

- Who is asking for the funds
- The amount being requested
- Length and terms of the loan
- The purpose of the loan

The Loan Application Summary will also show how the funds are to be used, including your equity investment into the venture. The lender will probably ask the borrower to pledge not only tangible assets of the business but also personal assets. (If the borrowers own real estate, they may be asked to pledge the real estate even if there is enough collateral in the business).

STARTUP EXPENSES

Several tasks must be done simultaneously in the early stages of development of the business plan. Remember, regardless of whether you will be seeking outside financing, you need to do the financial analysis in order to prove to yourself the validity of your plan. A good deal of research must be done in order to identify all of the expense items you will be faced with such as:

- Getting an architect or contractor for renovation of the space to be occupied and estimating costs. Will need firm quotes.
- Developing a capital equipment list of the necessary equipment. Price the equipment, new or used. Don't forget sales tax.
- Contacting the telephone company and deciding on the best service for your needs and the cost of installation and deposit.
- Contacting the utility companies to find out if there will be utility deposits and if the service is satisfactory for your needs.
- Contacting your attorney. You will need the attorney to review leases, incorporate your business or develop a partnership agreement, or review any agreements or contracts you may need.
- Contacting an accountant to set up or review your bookkeeping and recordkeeping needs.
- Contacting city or town hall and obtaining necessary license or permits.
- Deciding on your opening promotional strategies and costs.

- Making arrangements to purchase initial inventory and supplies needed.
- Contacting your insurance agent for your general and liability insurance and workmen's compensation insurance.
- Estimating all other costs for the project.

Many of these expenses are *one time startup expenses*. Much of the money will be spent before the business officially starts. It is important to know in advance what all of the expenditures add up to so they can be built into the cash flow analysis.

You may have already spent money on getting the business started. Be sure to include the cost of all those items in the startup expenses. (Tools are a typical example.)

Working capital is the cash you need on hand to carry you through the opening months. It cannot be determined until the cash flows are completed because it is the cash flow that indicates how much cash the business will need in its startup phase.

CAPITAL EQUIPMENT

Your company may need to purchase equipment that is strictly for use in the business rather than for sale. For example, a delivery truck used to deliver goods to customers is a capital piece of equipment. A delivery truck purchased for resale is not capital equipment it is inventory. The type of equipment purchased for use in the business is generally termed a fixed asset.

Fixed assets appear on the balance sheet and although you may have expended cash to purchase the asset it may not be immediately *expensed* but may be *depreciated* over a period of time. You should consult with your accountant for information on both tangible and intangible fixed assets and the best method on depreciation or amortization.

Tangible fixed assets include:

- Buildings
- Machinery
- Equipment
- Furniture and fixtures
- Vehicles
- Land (Land is a tangible fixed asset but is not depreciable)

Intangible fixed assets may include such things as:

- Patents
- Copyrights
- Goodwill
- Customer lists
- Startup expenses

Most new firms do not have any intangible assets, but acquired companies typically do. The type and size of the business often dictates the amount of fixed asset investment. The investment may also involve long-term commitments. In many cases tangible assets can be used as collateral against the loan to purchase them.

MONTHLY INCOME STATEMENT PROJECTION

The income statement projection, also known as Profit and Loss statement or P& L, is an estimate of what you expect to happen to the business in the future. You will need to project the future operations of the business monthly for the first year and annually for the second and third years.

We recommend using the **BOTTOM-UP** method for projecting income and expenses.

- Identify the monthly fixed expenses, determine the costs for each, and then post the costs to the projection.
- Identify the semi-variable expense items (advertising, auto, etc.), estimate the monthly costs and post to the projection.
- Estimate all other costs and post to the projection.
- Total the costs. This will now tell you how much in gross profit dollars must be generated to break even.
- Project the sales and variable (cost of goods sold) costs.
- Analyze and adjust the projection. Pay strict attention to the feasibility of the plan.

It is important to separate your personal expenses from the business expenses. Be logical in your projections. Set reachable sales goals and reasonable expense projections. We recommend that you are always conservative on sales projections, but heavy-handed on expense projections. If the numbers do not work, adjust your strategies. Remember, this is going to represent a picture of the way the business is expected to run, if it doesn't work on paper it probably will not work in reality. If it does work on paper, then use it as a guide to keep the business on track and adjust it as needed.

The monthly income projection example is to be used strictly as a guide. The expense items will differ in your projection based upon the business and organizational structure. Ask for assistance from your accountant, if necessary, but you should be the one to do the projecting. You must understand what the expenses are, why they are there and how they affect the business. If you have any doubts about the expenses, seek assistance.

ASSUMPTIONS FOR INCOME STATEMENT PROJECTION

This section of the plan should explain how the figures used on the Profit and Loss projection were arrived at. A potential lender or investor will be able to refer to this section for information in your absence. It will help to eliminate confusion and allow the lender or investor to analyze the proposal more easily. It will also eliminate the need to call you for the information necessary to make a decision. You will also use this projection as a tool to measure your success. All assumptions must be written down.

The explanations should include:

- How the figures were arrived at
- What the figures represent
- The timing of the increases or decreases
- An explanation of the formula used to arrive at the figures

CASH FLOW PROJECTION

The Income Statement projection represents the way your business runs on paper for tax purposes. It is what your accountant will give you to indicate the profitability of your company. However, it is not the way your business runs. *Your business runs on cash.* **Cash In and cash out!** The cash flow analysis indicates the timing of the cash inflows and outflows.

For instance, you make a sale in January and give the customer terms of 30 days. The transaction shows up on your profit and loss projection as a sale in January, but you show the inflow of money in February on the cash flow analysis. If you purchase a new computer for \$5000, the *capital* expenditure does not show up on the Income statement. It will eventually show up as *depreciation* on the P&L. However, you may have spent the money and that expenditure will be reflected in the cash flow analysis.

Keep in mind, your accountant should not do a cash flow analysis for you. No one should. It is imperative that the cash flow is done and understood by you, so you are aware of the impact of the cash flow in your business.

The cash flow analysis should tell you how much money you need to start your business. After developing the Income projection, project the cash flow before the injection of any money into the business. You will probably show monthly cash shortages. Add up the total negatives to find out the amount needed to start the business.

QUESTIONS:

- Have you thought about future capital expenditures?
- Have you indicated the timing of the cash inflows and outflows?
- What is the industry standard for receivables?
- What are the principal payments on your loans? (Remember only the interest shows up on the P&L projection)

Understanding cash flow is one of the most important areas of running a business! If you need assistance in this area, seek it out!

OPENING DAY BALANCE SHEET

The **Balance Sheet** is an orderly listing of your company's assets and liabilities at any point in time. The balance sheet changes constantly. For example: Every time you ring the cash register, you have more cash and less inventory, thus, those items on your balance sheet change accordingly. The balance sheet shows the condition of your business whether you own it or your creditors do. It can be as simple or as complex as you want it to be. All balance sheets contain the same information although certain details may vary according to the size of the firm.

General categories on a balance sheet include:

Current Assets: Anything that can be converted into cash readily through your normal business activity. Current assets include, cash, accounts receivable, inventory, prepaid deposits, etc.

Fixed Assets: Anything which has a long term expected use in the business. Fixed assets include: buildings, land, equipment, machinery, vehicles, etc.

Current Liabilities: the Company's short term financial obligations. Those obligations which must be paid in a year or less. Current liabilities include: accounts payable, taxes, wages, short term notes, bank payments due within one year, etc.

Long Term Liabilities: Longer-term obligations. These obligations include: mortgage, long term notes, equipment loans, etc.

Net Worth: Your equity in the company. Plus any retained earnings from profits accumulated over time.

Note: Leases typically do not show on your balance sheet – but payments will be in your cash flow.

You need to create your company's balance sheet as of opening day. All the information you need to create this schedule is found on your loan application and startup expense list.

INCOME PROJECTION FOR YEARS 1, 2 AND 3

Extended profit and loss projections are difficult to project. No one can predict what external forces will affect your company. Governmental, economic, and other external pressures are often impossible to project. You can, however, control many of the internal functions of the business.

Project the second and third years of your business monthly, quarterly or annually. Attempt to predict whatever external pressures you are able to identify and adjust your strategies accordingly.

QUESTIONS:

- What internal forces can you control? (advertising, sales, inventories)
- What external pressures can you expect? (governmental, economic, competitive, etc.)
- What will be your strategy to respond to the forces?
- How much can you expect your business to grow?
- Are you planning additional capital expenditures?
- As the business grows, will more employees be added?
- Why will revenue increase (decrease) and by how much?
- Why will expenses increase (decrease) and by how much?

BREAK EVEN ANALYSIS (not required, but very helpful)

The **break-even analysis** is a tool that can help you to determine the sales volume you must achieve to break even. In order to determine the level of sales needed to break even identify *and categorize* the three types of costs generated by your business: Variable costs, fixed costs and semi variable costs.

Variable Costs: Those costs which are directly related to sales: (Cost of goods sold, materials, direct labor, etc.)

Fixed Costs: Those costs which are fixed and must be paid whether or not you have any sales. (Rent, utilities, telephone, some salaries, etc.)

Semi Variable Costs: Those costs that can be controlled. (Advertising, auto, some salaries, etc.)

- Step 1. Identify and categorize costs. Fixed, Variable, Semi variable.
Step 2. Calculate the gross profit as a percentage of sales. (See the Profit and Loss projection).
Step 3. Divide the fixed costs by the gross profit percentage.

$$\frac{\text{Fixed costs}}{\text{G. P. Percentage}} = \text{Sales (Break even point)}$$

The break-even sales now are known. It allows you to do a feasibility analysis on the possibility of reaching the break-even point. If the sales are too high to reach reduce your fixed costs or change your strategies. In any event, it is the sales level you must attain in order to stay in business. The break-even point also shows the importance of maintaining your gross margin and the importance of watching your expenses. Whenever overhead is increased you should analyze the effect on the break-even point. Lack of vigilance in maintaining margins and costs could be fatal!

PERSONAL FINANCIAL STATEMENT

If the document is to be used as a financing proposal, the lender will require a personal financial statement from all of the principals in the venture. The personal financial data will help determine your ability to handle money. If the lender sees you have a poor financial background, or very high debts, he or she may not feel comfortable lending you money.

Additionally, any lender will do a personal credit check on all of the principals. Having a personal credit problem in the past such as a foreclosure or bankruptcy will not prohibit you from getting a loan. However, if you have not started to reestablish good credit, getting financing will be very, very difficult.

Characteristically, borrowers have a personal, unlimited liability for the business debts. The lender may look to the personal assets of the principals to satisfy their claims. The stronger the personal balance sheet, the better the chances of obtaining funds.

The Credit analysts are interested in answers to the following:

- Do the borrowers have personal assets not included in the business statement?
- Are the assets jointly owned with spouses?
- Are there personal liabilities not included in the liabilities of the business?

A sample balance sheet is attached using the standard SBA form.

PERSONAL RESUME

Among the major reasons for business failure is the lack of both line experience and managerial experience in the business field you wish to enter. The lender will therefore be interested in your experience in the industry. If you lack the necessary experience it is imperative that you have a management support team in place at the start of the business to insure its success.

The lender will want to know your qualifications for operating a successful venture. Your management ability in the industry is extremely important. Provide as much information as possible to make the financing agent have confidence in your competence.

Your first impression on the lender may be crucial in their decision giving you support.

SUPPORTING DOCUMENTS

The last section of the business plan can contain as much or as little information as needed. It should contain items important to the development of the financial data used in the plan. Below is a partial list of supporting documents.

- Copies of leases
- Copies of orders on hand
- Copies of contracts
- Letters of intent
- Letters of endorsement
- Patent information
- Marketing data not shown in marketing section
- Maps
- Floor plans
- Demographics
- License information
- Purchase and sales agreements
- Partnership agreements
- Organization charts
- Historical financial data if purchasing a business
- Any pertinent data used in the development of the plan or to be used in the operation of the business.

If the plan is to be used as a financing package, do not include proprietary knowledge such as trade secrets. Keep in mind that lenders or investors may not want to read your entire business plan. The financing package should be consolidated to a maximum of 20 pages including narrative and projected financial statements and should be concise. If the lender or investor wants further information, you can then present additional materials to support your case.

If you have followed the preceding format you have completed the *first draft* of your business plan. Now go back, review it and make adjustments as necessary. If this is your first business plan do not be surprised if it has to be done several times. **You will know when the plan is ready for implementation.** Do not begin the business before you are certain that the business will be a success.

The plan should reflect your best, educated guess at the way the business will be operated. Use the plan to guide the business and keep it on track. If you see drastic variances in the operation as the business develops, redo the plan again using the new historical data as a guide.

If the plan does not work on paper then it probably will not work in reality. Be certain that you have been as objective and realistic as possible in its development.

PART 1 – BUSINESS PLAN NARRATIVE

THE COVER

Financing Proposal

THE NEPTUNE SEAFOOD CO.

TOWN MARKETPLACE

MILLTOWN, MA 02000

**Submitted to:
Globe National Bank
Boston, Mass.**

**Prepared by:
Thomas Welsh 555-676-1234
Michael Moran 555-767-5678
June 15, 2018**

PLAN OBJECTIVE

EXAMPLE: (As an operating guide)

The following plan is to be used as an operating and policy guide for the Neptune Seafood Company. Implementation of the plan will assist in providing consistent policy and operating procedures, provide marketing and sales goals, as well as an operating budget for the fiscal year 2018.

The intent of the plan is to provide management with timely control over the cash inflows and outflows and insure the company's liquidity. It is also intended to assist in the orderly control of the company as it expands.

EXAMPLE: (For use as a financing proposal)

The following example shows how the lender/investor is given the information he or she needs in order to read and evaluate the plan intelligently. The effect the loan or investment will have on the business, how the funds will be used, and how they will be repaid.

This plan will serve as a financing proposal and a general operating guide for the Neptune Seafood Company. The business is a start-up company and will be operated as a partnership.

The Neptune Seafood Company is requesting a term loan in the amount of \$53,000 to be amortized over five years.

The funds, along with an equity investment of \$41,000 by the principals, Mr. Thomas Welsh and Mr. Charles Moran, will be used to purchase capital equipment, make leasehold improvements, pay for start-up expenses, purchase initial inventory and have enough working capital to insure the success of the venture.

The loan will enable the Neptune Seafood Company to open for business on October 9, 2018.

TABLE OF CONTENTS

Plan Objective

Part One - The Business Narrative

1. Business Profile
2. Market Profile
3. Competition Profile
4. Location and Facilities
5. Management Profile
6. Personnel Profile

Part Two - Financial Data

1. Statement of Financing Need and Purpose
2. Start Up Expenses
3. Capital Equipment List
4. Pro Forma Income Statement (1st Year by Month)
5. Income Statement Detailed Assumptions
6. Cash Flow Analysis (1st Year by Month)
7. Profit and Loss Projections for Years 1, 2 and 3
8. Opening Day Balance Sheet

Part Three - Supporting Documents

1. Personal Resumes
2. Personal Financial Statement
3. Selected Supporting Documents
4. Personal Tax Returns

BUSINESS PROFILE

The Neptune Seafood Co. will be a general partnership. It will be a fast food, seafood restaurant located in the International Food Pavilion of the Town Marketplace Mall in Milltown, Mass. It will be a startup venture opening for business with the Grand Opening of the Town Marketplace on October 9, 2018. The restaurant will operate from 11 a.m. to 9 p.m., Monday through Saturday and from noon to 6 p.m. on Sundays.

Neptune Seafood Co. plans to increase from a 20 table restaurant to a 50 table restaurant over the next 5 years. The owners, Thomas Welsh and Charles Moran, have extensive experience with restaurants and local fast food seafood outlets. The Neptune Seafood Co. has a highly visible location within the Town Marketplace. Marketing studies indicate that this mall will be well trafficked. Fast-food seafood has been a growing market within the past few years, and fresh seafood is particularly popular in the Milltown area. This combination of a popular product, high traffic location, and experienced owners will facilitate successful restaurant operations.

MARKET PROFILE

The Neptune Seafood Co.'s target market includes the shoppers in the Town Marketplace, office workers from the two-onsite office buildings, and the employees of the other Marketplace stores. In addition, we hope to draw business from the senior citizen's development and the 45 condominiums that share the marketplace site. The cafe's marketing mix (product, price, promotion and distribution) is tailored to appeal to this target market.

Our product, fast-food seafood, has grown in popularity in recent years. The National Restaurant Association reports that fast-food outlet traffic was up 2.8 % in 2015. In addition, the 2016 Menu Census conducted by the Restaurants and Institutions Magazine showed that consumers ordered 25% more seafood than in 2015. Our business will capture the business created by these trends toward more fast food and more seafood sales.

We intend to "fine tune" our menu to customer preference by recording and analyzing daily sales figures. We will also use this information to forecast weekly supply needs and costs.

Prices at the Neptune range from \$1.50 to \$6.50, averaging \$3.25 per entree. This is consistent with the area competition.

The Marketplace developers have a constant advertising campaign and promotion campaign in effect. We pay \$300/mo. for this service. Our location, well-designed storefront, and neon script sign will advertise our mall presence.

We expect to gross \$309,000 in our first year of business. This is only an average of 207 customers per day. We anticipate a breakeven point of 119 customers per day.

The figures quoted are consistent with similar stores in the other malls operated by the developer.

The area near the mall is a densely populated area with middle to upper middle class residents. The area is developing rapidly. There is public transportation as well as ample parking facilities.

COMPETITION PROFILE

The food court concept is relatively new. The Quincy Market in Boston exemplifies its success. Now all developing malls have food courts.

The Neptune's competition then, will be the other fast food outlets in the food court, Burger King, Au Bon Pain, Mr. Potato, Paco's Tacos, Italian Delight, Orange Julius and Chop Stix.

Several distinguishing features will set the Neptune apart from its competition. We will specialize in charbroiled, broiled and fried seafood dishes. None of the other outlets feature fresh seafood. We will have one of two beer and wine licenses in the court. (There will be only one other beer and wine license issued).

The combination of our seafood specialty, raw bar, and serving of beer will give our cuisine an edge over the other fast food outlets. In addition, our location affords us excellent visibility. We are located on the side the customers see upon entering the food court. Our seventeen-foot distinctive storefront will attract customers. We intend to provide excellent service and competitive prices and maintain a clean comfortable atmosphere. Our in house seating and "Raw Bar" is a distinct advantage over our competitors.

Because the nearest free standing restaurants are almost 10 miles away, we do not consider them our direct competition.

LOCATION AND FACILITY

The Neptune Seafood Company's location in the marketplace is perhaps its greatest advantage. The mall includes over 100 stores, one large formal restaurant, and two anchor stores, Sears and Marshalls. The International Pavilion will be located in the upper Galleria.

Marketing studies done by the Schwartz Management indicate that 580,000 people reside within a five radius of the Town Marketplace, 275,000 reside within three miles. There are no shopping centers of this magnitude in the area. Two office buildings, a senior citizen's complex and 35 condominiums share the Marketplace site. Thus, high traffic is virtually assured.

The Neptune location within the pavilion affords great visibility. When customers enter, they face Neptune's vending area. Our 20-foot storefront will be professionally designed, with a 17-foot Raw Bar and a custom-made neon sign.

There is an adequate labor supply for both full and part time employees. There is plenty of parking in the mall parking area.

The Neptune has a 5-year lease with an option to extend. The lease allows Neptune to sub-let if necessary, with the approval of the mall management. The lease is at a cost of \$44/sq. ft. Renovations are quoted at \$47,000. The business address will be Neptune Seafood Co., Town Marketplace, Milltown, MA 02010.

MANAGEMENT PROFILE

Charles Moran, age 36, of South Boston, and Thomas Welsh, age 35, of Newtown are the Neptune's management team. Mr. Horan will manage the restaurant. Mr. Welsh will be its general manager. All major decisions will be made mutually. Each of the men is a 50% owner in the business. They will be paid salaries of \$20,000 annually.

Charles Moran has owned and managed the Trident Cafe, a fast food seafood restaurant on Washington Street in Boston for the past 5 years. He has a BS in Food Service and Nutrition from Michigan State University. He also has a background in the catering business and has worked as a chef. He brings 20 years of experience to the business.

Thomas Welsh is a real estate broker in both Massachusetts and Florida. He specializes in both income and residential sales. In addition, he has experience as a food and beverage manager for seasonal resorts in Massachusetts and New York. He has BS in Business Management from the University of Massachusetts - Dartmouth.

Professionals will do all legal and accounting work. John Tailor, CPA, 170 Sea Street, Milltown will handle the accounting. Robert Benjamin of 156 Ocean Street, Milltown is the attorney. The R. A. Blane Insurance Agency will handle the Company's insurance needs.

Thus, the management team has both general restaurant management experience and expertise in fast-food seafood operations. In addition, Mr. Welsh's knowledge of the Milltown area real estate and development is an asset in judging location and negotiating leases.

PERSONNEL PROFILE

Neptune will employ two cooks, paid \$5.00/hour, two assistant cooks paid \$3.75/hour, and two raw bar employees also paid \$3.75/hour. These workers will be split between two shifts. In addition, a manager will be paid a salary of \$20,000/year. All employees will receive meals as a fringe benefit. There will be a total of eight employees including a substitute.

The cooks and manager will need experience in their fields. Since wages will be competitive with those in the area, there should be no problem in hiring workers with the expertise. We expect to hire from the local colleges and vocational high schools.

As business increases we will hire additional employees. Mr. Moran and Mr. Welsh will do training of the employees.

Full-time employees will receive one-week vacation after one full year of employment and two weeks after two or more years. Full-time employees will be allowed 10 sick days/year after three months of employment. Part-time employees will receive no benefits.

PART TWO

FINANCIAL DATA

- Statement Of Financing Need And Purpose
- Start Up Expenses
- Monthly Income Projection
- Assumptions For Income Statement Projection
- Income Projection For Years 1,2 and 3
- Cash Flow Projection
- Opening Day Balance Sheet
- Break Even Analysis
- Personal Financial Statement
- Personal Resume
- Worksheets

STATEMENT OF FINANCING NEED AND PURPOSE

Neptune Seafood Co.
Town Marketplace
Milltown, MA 02000

To: Mr. John Jones
VP Commercial Lending
P.O. Box 123
Boston, MA 02108

Amount requested: \$53,000

Terms: Term loan for 5 years

Purpose: The loan along with the principals' equity of \$41,000 will allow the applicant to purchase equipment, furniture, inventory, do leasehold improvements, and have enough working capital to operate a profitable business.

SOURCE OF FUNDS

Bank Term Loan	\$ 53,000
Owners' Equity	41,000
TOTAL	<u>\$ 94,000</u>

USE OF FUNDS

Equipment purchase	\$ 25,000
Renovations	45,000
Inventory	2,500
Architects fees	5,000
Working capital & prepaid expenses	16,500
TOTAL	<u>\$ 94,000</u>

START UP EXPENSES

Neptune Seafood Company

One Time Start Up Expenses

One Time Start Up Expenses	Amount	Notes
Rent Deposit	\$ 2,500	per Lease Agreement
Renovations (Leasehold Improvement	45,000	Kyler Contracting Company
Telephone (Deposit & Installation Fee	400	Verizon
Utility Deposits	500	Boston Edison
Insurance Deposits	2,000	Liberty Insurance
Legal & Accounting Expenses	500	Bob Smith, Esq / Dave Low, CPA
Opening Promotional Expenses	500	Milltown Gazette
Inventory	5,000	See List
Architect Fees	5,000	Segivia Associates (see attached)
Supplies	1,200	See List
Miscellaneous Expenses	996	See List
Capital Equipment	25,000	See List
Working Capital	5,404	
Total Start Up Expenses	\$ 94,000	

NEPTUNE SEAFOOD CO
PRO FORMA INCOME STATEMENT

NEPTUNE SEAFOOD CO.
MONTHLY INCOME PROJECTION

SALES:	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	TOTAL	%
FOOD SALES	22238	19338	23205	18371	18371	19338	19338	19338	19338	19338	19338	22239	239790	
BEVERAGE SALES	6468	5625	6750	5344	5344	5625	5625	5625	5625	5625	5625	6469	69750	
TOTAL SALES	28706	24963	29955	23715	23715	24963	24963	24963	24963	24963	24963	28708	309540	100
COST OF GOODS SOLD														
FOOD COST	8895	7735	9282	7348	7348	7735	7735	7735	7735	7735	7735	8896	95914	40
BEVERAGE COST	1940	1688	2025	1603	1603	1688	1688	1688	1688	1688	1688	1941	20928	30
TOTAL COST OF GOODS	10835	9423	11307	8951	8951	9423	9423	9423	9423	9423	9423	10837	116842	38
GROSS PROFIT	17871	15540	18648	14764	14764	15540	15540	15540	15540	15540	15540	17871	192698	62
OPERATING EXPENSES														
WAGES OWNERS	1667	1667	1667	1667	1667	1667	1667	1667	1667	1667	1667	1667	20004	6
WAGES EMPLOYEES	3750	3750	3750	3750	3750	3750	3750	3750	3750	3750	3750	3750	45000	15
FICA/FUTA	596	596	596	596	596	596	596	596	596	596	596	596	7152	2
EMPLOYEES MEALS	121	121	121	121	121	121	121	121	121	121	121	121	1452	0
LAUNDRY LINENS	73	73	73	73	73	73	73	73	73	73	73	73	876	0
OPERATING SUPPLIES	1435	1248	1498	1186	1186	1248	1248	1248	1248	1248	1248	1435	15476	5
REPAIR-MAINT	255	222	267	211	211	222	222	222	222	222	222	256	2754	1
ADVERTISING	800	300	300	300	300	300	300	300	300	300	300	300	4100	1
AUTO EXPENSE	125	125	125	125	125	125	125	125	125	125	125	125	1500	0
ACCOUNTING-LEGAL	125	125	125	125	125	125	125	125	125	125	125	125	1500	0
RENT	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	30000	10
UTILITIES	450	450	450	450	450	450	450	450	450	450	450	450	5400	2
INSURANCE	100	100	100	100	100	100	100	100	100	100	100	100	1200	0
PROPERTY TAXES	476	0	0	0	0	476	0	0	0	0	0	0	952	0
LICENSES	83	83	83	83	83	83	83	83	83	83	83	83	996	0
INTEREST	508	502	495	489	482	476	469	463	456	449	442	435	5665	2
DEPRECIATION	417	417	417	417	417	417	417	417	417	417	417	417	5004	2
AMORTIZATION	643	643	643	643	643	643	643	643	643	643	643	643	7716	2
PICNIC AREA FEE	350	350	350	350	350	350	350	350	350	350	350	350	4200	1
COMMON AREA FEE	119	119	119	119	119	119	119	119	119	119	119	119	1428	0
TOTAL OPERATING EXPENSES	14593	13391	13679	13305	13298	13365	13834	13352	13345	13338	13331	13545	162375	52
NET PROFIT	3278	2149	4969	1459	1466	2175	1706	2188	2195	2202	2209	4326	30323	10

ASSUMPTIONS FOR INCOME STATEMENT PROJECTION

Year 1

Sales:	Estimated at 207 sales per day, adjusted for seasonality. Up 15% in Oct. up 20% Dec. down 15% Jan-Feb. up 15% Sept. Average food sale=\$3.25. Average beverage sale is \$.98.
Cost of sales:	Food costs estimated at 40% of food sales Beverage cost estimated 30% of beverage sales
Manager salary:	Projected at \$ 20,000/yr.
Salary employees:	2 cooks @ \$5.00/hr. 2 assistants @ \$3.75/hr. 2 Raw Bar employees @ \$3.75/hr. (2 shifts)
Payroll taxes:	Company obligation FICA-FUTA 11% of wages
Employee meals:	Estimated at \$1.30
Laundry-linen:	Estimated at \$73.00/month
Operating supplies:	Projected at 5% of sales
Repairs-Maint:	Estimated at .89% of sales
Advertising:	As agreed with The Town Marketplace
Auto:	Estimated at \$1500/yr. amortized monthly
Accounting-Legal:	Estimated at \$1500/yr. amortized
Rent:	As agreed in lease
Utilities:	Estimated at \$5400/yr. amortized monthly
Insurance:	Fire, liability, workmen's comp. quoted by agent
Property taxes:	Actual paid bi-yearly
Licenses:	Actual, amortized monthly
Interest:	Based on 5 year \$53,000 term loan at 11.5%
Depreciation:	Equipment-5 year straight-line method
Amortization:	Startup cost + Leasehold improvements amortized over 5 years
Picnic area fee:	As agreed in lease
Common area fee:	As agreed in lease

Years 2 & 3

Sales:	10% increase
Cost of sales:	Food costs estimated at 40% of food sales Beverage cost estimated 30% of beverage sales
Manager salary:	20% increase
Salary employees:	10% increase
Payroll taxes:	Company obligation FICA-FUTA 11% of wages
Employee meals:	Estimated at \$1.30
Laundry-linen:	Estimated at \$73.00/month
Operating supplies:	Projected at 5% of sales
Repairs-Maint:	Estimated at .89% of sales
Advertising:	As agreed with The Town Marketplace
Auto:	Estimated at \$1500/yr. amortized monthly
Accounting-Legal:	Estimated at \$1500/yr. amortized

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Rent: As agreed in lease
Utilities: Estimated at \$5400/yr. amortized monthly
Insurance: Fire, liability, workmen's comp. quoted by agent
Property taxes: Actual paid bi-yearly
Licenses: Actual, amortized monthly
Interest: Based on 5 year \$53,000 term loan at 11.5%
Depreciation: Equipment-5 year straight-line method
Amortization: Startup cost + Leasehold improvements amortized over 5 years
Picnic area fee: As agreed in lease
Common area fee: As agreed in lease

INCOME PROJECTION FOR YEARS 1, 2 AND 3

NAME OF COMPANY			
	YEAR 1	YEAR 2	YEAR 3
SALES:			
FOOD SALES	239,790	263,768	299,288
BEVERAGE SALES	69,750	76,493	86,793
TOTAL SALES	309,540	340,261	386,081
COST OF GOODS SOLD:			
FOOD COSTS	95,914	105,507	119,715
BEVERAGE COSTS	20,928	22,948	26,038
TOTAL COST OF GOODS	116,842	128,455	145,753
GROSS PROFIT	192,698	211,806	240,328
OPERATING EXPENSES:			
GROSS WAGES MANAGERS	20,004	24,000	24,000
GROSS WAGES EMPLOYEES	45,000	49,500	49,500
PAYROLL TAXES	7,152	10,290	10,290
EMPLOYEE MEALS	1,452	1,932	1,932
LAUNDRY-LINEN	876	876	876
OPERATING SUPPLIES	15,476	17,013	19,304
REPAIR-MAINT.	2,754	3,028	3,436
ADVERTISING	4,100	3,600	3,600
AUTO EXPENSE	1,500	1,500	1,500
ACCOUNTING-LEGAL	1,500	1,500	1,500
RENT	30,000	30,000	30,000
UTILITIES	5,400	5,921	6,718
INSURANCE	1,200	1,200	1,200
PROPERTY TAXES	952	952	952
LICENSES	996	996	996
INTEREST	5,665	6,246	6,246
DEPRECIATION	5,004	5,004	5,004
AMORTIZATION	7,716	9,600	9,600
PICNIC AREA FEE	4,200	4,200	4,200
COMMON AREA FEE	1,428	1,428	1,428
TOTAL OPERATING EXPENSES	162,375	178,786	182,282
NET PROFIT BEFORE TAXES	30,323	33,020	58,046

Disclaimer: The numbers stated in this projection were provided by the client. MSBDC takes no responsibility for the accuracy of the numbers.

NEPTUNE SEAFOOD CO
CASH FLOW PROJECTION

NEPTUNE SEAFOOD CO	START UP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
CASH FLOW													
BEGINNING BALANCE	0	5404	7071	9799	15341	17366	19392	22120	24373	27101	29829	32557	35286
LOAN RECEIPTS	53000												
EQUITY INVESTED	41000												
CASH RECEIPTS	0	28706	24963	29955	23715	23715	24963	24963	24963	24963	24963	24963	28708
ACCOUNTS RECEIVABLE	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL CASH AVAIL	94000	34110	32034	39754	39056	41081	44355	47083	49336	52064	54792	57520	63994
DISBURSEMENTS													
FOOD COST		8895	7735	9282	7348	7348	7735	7735	7735	7735	7735	7735	8896
BEVERAGE COST		1940	1688	2025	1603	1603	1688	1688	1688	1688	1688	1688	1941
WAGES OWNERS		1667	1667	1667	1667	1667	1667	1667	1667	1667	1667	1667	1667
WAGES EMPLOYEES		3750	3750	3750	3750	3750	3750	3750	3750	3750	3750	3750	3750
FICA/FUTA		596	596	596	596	596	596	596	596	596	596	596	596
EMPLOYEES MEALS		121	121	121	121	121	121	121	121	121	121	121	121
LAUNDRY LINENS		73	73	73	73	73	73	73	73	73	73	73	73
OPERATING SUPPLIES		1435	1248	1498	1186	1186	1248	1248	1248	1248	1248	1248	1435
REPAIR-MAINT		255	222	267	211	211	222	222	222	222	222	222	256
ADVERTISING		800	300	300	300	300	300	300	300	300	300	300	300
AUTO EXPENSE		125	125	125	125	125	125	125	125	125	125	125	125
ACCOUNTING-LEGAL		125	125	125	125	125	125	125	125	125	125	125	125
RENT		2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500
UTILITIES		450	450	450	450	450	450	450	450	450	450	450	450
INSURANCE		1200	0	0	0	0	0	0	0	0	0	0	0
PROPERTY TAXES		476	0	0	0	0	0	476	0	0	0	0	0
LICENSES		996	0	0	0	0	0	0	0	0	0	0	0
INTEREST		508	502	495	489	482	476	469	463	456	449	442	435
PRINCIPAL		658	664	670	677	683	690	696	703	710	717	724	730
PICNIC AREA FEE		350	350	350	350	350	350	350	350	350	350	350	350
COMMON AREA FEE		119	119	119	119	119	119	119	119	119	119	119	119
TOTAL DISBURSED	0	27039	22235	24413	21690	21689	22235	22710	22235	22235	22235	22235	23869
CASH FLOW													
STARTUP EXPENSE	94000	7071	9799	15341	17366	19392	22120	24373	27101	29829	32557	35286	40124
RENT DEPOSIT													
INVENTORY	2500												
SUPPLIES	5000												
RENOVATIONS	1200												
TELEPHONE DEPOSIT	45000												
UTILITY DEPOSIT	400												
ARCHITECT FEES	500												
OTHER START-UP EXP	5000												
EQUIPMENT PURCHASES	3996												
TOTAL	25000												
CASH FLOW	88596												
	5404	7071	9799	15341	17366	19392	22120	24373	27101	29829	32557	35286	40124

EXAMPLE

**NEPTUNE SEAFOOD CO.
OPENING DAY BALANCE SHEET**

ASSETS		
CURRENT ASSETS		
CASH	5404	
RENT DEPOSIT	2500	
INVENTORY	5000	
SUPPLIES	1200	
TEL DEPOSIT	400	
UTIL. DEPOSIT	500	
INSURANCE DEPOSIT	2000	
TOTAL CURRENT ASSETS	17004	
FIXED ASSETS		
EQUIPMENT	25000	
LESS DEPRECIATION	<u>0</u>	
TOTAL FIXED ASSETS	25000	
RENOVATION	45000	
OTHER START UP EXP	1996	
ARCHITECT FEE	5000	
LESS AMORTIZATION	<u>0</u>	
	51996	
TOTAL ASSETS		94000
		=====
<u>LIABILITIES</u>		
CURRENT LIABILITIES		
CURRENT PORTION LTD	7871	
LONG TERM LIABILITIES		
NOTES PAYABLE	45129	
TOTAL LIABILITIES	53000	
OWNERS CAPITAL		
RETAINED EARNINGS	<u>0</u>	
TOTAL CAPITAL	41000	
TOTAL LIABILITIES & OWNERS CAPITAL		94000
		=====

NEPTUNE SEAFOOD CO. BREAK EVEN ANALYSIS

FIXED COSTS (FC):

Wages manager	\$ 20004
P/R taxes manager	2000
Rent	30000
Utilities	5400
Insurance	1200
Property taxes	952
Licenses	996
Interest	6928
Depreciation	5004
Amortization	9600
Picnic area Fee	4200
Common area fee	1428
Total fixed costs	<u>\$ 87712 per year</u>

$$\text{BREAK EVEN} = \frac{\text{FC}}{\text{GP}\%} = \text{Sales}$$

$$\frac{\$87712}{.6225} = \$140,903 \text{ yr. (break-even)}$$

$$\text{Feasibility: } \frac{\$140,903 \text{ yr.}}{365 \text{ days}} = \$386/\text{day}$$

$$\frac{\$386/\text{day}}{\$3.25 \text{ average sale}} = 119 \text{ sales/day}$$



U.S. SMALL BUSINESS ADMINISTRATION

PERSONAL FINANCIAL STATEMENT

OMB APPROVAL NO. 3245-0188
EXPIRATION DATE: 11/30/2004

As of 12/31, 2000

Complete this form for: (1) each proprietor, or (2) each limited partner who owns 20% or more interest and each general partner, or (3) each stockholder owning 20% or more of voting stock, or (4) any person or entity providing a guaranty on the loan.

Name Thomas Welsh & Sylvia Welsh

Business Phone 617-555-1000

Residence Address 1126 West Street

Residence Phone 617-676-1234

City, State, & Zip Code Newton, MA 02100

Business Name of Applicant/Borrower

ASSETS		LIABILITIES	
	(Omit Cents)		(Omit Cents)
Cash on hand & in Banks	\$ 35,000	Accounts Payable	\$ 1,200
Savings Accounts	\$	Notes Payable to Banks and Others	\$ 4,500
IRA or Other Retirement Account	\$ 18,000	(Describe in Section 2)	
Accounts & Notes Receivable	\$	Installment Account (Auto)	\$ 9,000
Life Insurance-Cash Surrender Value Only	\$	Mo. Payments	\$ 300
(Complete Section 8)		Installment Account (Other)	\$ 27,500
Stocks and Bonds	\$ 4,000	Mo. Payments	\$ 175
(Describe in Section 3)		Loan on Life Insurance	\$
Real Estate	\$ 425,000	Mortgages on Real Estate	\$ 270,000
(Describe in Section 4)		(Describe in Section 4)	
Automobile-Present Value	\$ 15,000	Unpaid Taxes	\$
Other Personal Property	\$ 40,000	(Describe in Section 6)	
(Describe in Section 5)		Other Liabilities	\$
Other Assets	\$	(Describe in Section 7)	
(Describe in Section 5)		Total Liabilities	\$ 302,200
Total	\$ 537,000	Net Worth	\$ 234,800
		Total	\$ 573,000

Section 1. Source of Income

Salary	\$ 112,000
Net Investment Income	\$
Real Estate Income	\$
Other Income (Describe below)*	\$

Contingent Liabilities

As Endorser or Co-Maker	\$ 16,500
Legal Claims & Judgments	\$
Provision for Federal Income Tax	\$
Other Special Debt	\$

Description of Other Income in Section 1.

*Alimony or child support payments need not be disclosed in "Other Income" unless it is desired to have such payments counted toward total income.

Section 2. Notes Payable to Banks and Others. (Use attachments if necessary. Each attachment must be identified as a part of this statement and signed.)

Name and Address of Noteholder(s)	Original Balance	Current Balance	Payment Amount	Frequency (monthly, etc.)	How Secured or Endorsed Type of Collateral
John James, 17 Main Street, Anywhere	7,500	4,500	250	Monthly	Unsecured

Section 3. Stocks and Bonds. (Use attachments if necessary. Each attachment must be identified as a part of this statement and signed).

Number of Shares	Name of Securities	Cost	Market Value Quotation/Exchange	Date of Quotation/Exchange	Total Value
100	USA Bonds	2,000	4,000	12/31/2000	4,000

Section 4. Real Estate Owned.

(List each parcel separately. Use attachment if necessary. Each attachment must be identified as a part of this statement and signed.)

	Property A	Property B	Property C
Type of Property	Residence		
Address	1126 West Street Newton, MA		
Date Purchased	06/30/1997		
Original Cost	350,000		
Present Market Value	425,000		
Name & Address of Mortgage Holder	Bank USA Anywhere		
Mortgage Account Number	123456789		
Mortgage Balance	270,000		
Amount of Payment per Month/Year	1,863 / 22,354		
Status of Mortgage	Current		

Section 5. Other Personal Property and Other Assets.

(Describe, and if any is pledged as security, state name and address of lien holder, amount of lien, terms of payment and if delinquent, describe delinquency)

Furniture, Jewelry, Computers, Sail Boat

Section 6. Unpaid Taxes.

(Describe in detail, as to type, to whom payable, when due, amount, and to what property, if any, a tax lien attaches.)

Section 7. Other Liabilities.

(Describe in detail.)

Section 8. Life Insurance Held.

(Give face amount and cash surrender value of policies - name of insurance company and beneficiaries)

I authorize SBA/Lender to make inquiries as necessary to verify the accuracy of the statements made and to determine my creditworthiness. I certify the above and the statements contained in the attachments are true and accurate as of the stated date(s). These statements are made for the purpose of either obtaining a loan or guaranteeing a loan. I understand FALSE statements may result in forfeiture of benefits and possible prosecution by the U.S. Attorney General (Reference 18 U.S.C. 1001).

Signature:

Date: 02/15/2000 Social Security Number: 123456789

Signature:

Date: 02/15/2000 Social Security Number: 123456789

PLEASE NOTE:

The estimated average burden hours for the completion of this form is 1.5 hours per response. If you have questions or comments concerning this estimate or any other aspect of this information, please contact Chief, Administrative Branch, U.S. Small Business Administration, Washington, D.C. 20416, and Clearance Officer, Paper Reduction Project (3245-0188), Office of Management and Budget, Washington, D.C. 20503. PLEASE DO NOT SEND FORMS TO OMB.

PERSONAL RESUME

Resume

Name: Charles Moran

Address: 165 Aspen Street
South Boston, Massachusetts 02021

Telephone: 617-423-4321

Education: South Boston High School
Michigan State University Bachelor of Science

Experience:

1991-Present Owner manager of the Trident Cafe,
Washington Street, Boston, MA

1981-1991 Decateur Catering, Brookline, MA Manager of
functions and food preparation.
Full control of staff and cost control.

Personal:

Excellent health.

Married three children.

Member of the N.E. Restaurant Association

Member Boston Chamber of Commerce

WORKSHEET

START UP EXPENSES & MONTHLY OPERATING EXPENSES

ONE TIME START UP EXPENSES	AMOUNT	NOTES
One Time Start-Up Costs:		
Rent Deposit		
Furniture & Fixtures		
Equipment		
Buildout/ Renovations		
Decorating, Painting and Remodeling		
Installation of Fixtures & Equipment		
Starting Inventory		
Deposits with Public Utilities		
Legal and Other Professional Fees		
License and Permits		
Advertising and Promotion		
Consulting		
Software		
Cash		
Other:		
Other:		
Other:		
Other:		
Total One Time Start-Up Costs:		
Monthly Expenses:		
Bank Charges		
Debt Service (Principal & Interest)		
Insurance		
Membership & Dues		
Maintenance & Repairs		
Marketing & Promotion: Advertising		
Marketing & Promotion: Other		
Miscellaneous		
Payroll: Wages (Owner/ Manager)		
Payroll: Wages (Employees)		
Payroll Tax		
Professional Fees: Accounting		
Professional Fees: Legal		
Professional Fees: Other		
Rent		
Subscriptions		
Supplies: Office		
Supplies: Operating		
Telephone		
Utilities		
Other:		
Total Monthly Expenses:		
Number of months required to cover Expenses:		Working Capital
TOTAL START-UP FUNDS REQUIRED:		
Loan Amount (At 80% of Total Start-Up)		

FIRST YEAR MONTHLY INCOME PROJECTION

A	B	C	D	E	F	G	H	I	J	K	L	M	N
1 NAME OF COMPANY	EST.	EST.	EST.	EST.	EST.	EST.	EST.	EST.	EST.	EST.	EST.	EST.	EST.
2	1	2	3	4	5	6	7	8	9	10	11	12	YEAR 1
3													
4 Revenue 1													
5 Revenue 2													
6 Revenue 3													
7 TOTAL REVENUE													
8													
9 Cost of goods sold 1													
10 Cost of goods sold 2													
11 Cost of goods sold 3													
12 TOTAL COGS													
13													
14 GROSS PROFIT													
15													
16													
17 SUPPLIES													
18 PAYROLL													
19 PAYROLL TAXES													
20 OWNERS DRAW													
21 ACCOUNTING & LEGAL													
22 ADVERTISING & PROM													
23 CABLE/INTERNET													
24 RENT													
25 REPAIRS & MAINT													
26 INSURANCE													
27 OFFICE & MISC													
28 INTEREST													
29 TELEPHONE													
30 UTILITIES													
31 TAXES													
32 VEHICLE													
33 WORKMENS COMP.													
34 DEPRECIATION													
35 OTHER													
36 OTHER													
37													
38 TOTAL OP. EXPENSES													
39													
40 PRE-TAX PROFIT													
41													

Disclaimer: The numbers stated in this projection were provided by the client. MSBDC takes no responsibility for the accuracy of the numbers.

WORKSHEET

CASH FLOW PROJECTION

A		B	C	D	E	F	G	H	I	J	K	L	M	N
1	COMPANY NAME													
2	FINANCIAL MODEL	PRE-START												
3	MONTH OPENING		1	2	3	4	5	6	7	8	9	10	11	12
4			EST.	EST.	EST.	EST.	EST.	EST.	EST.	EST.	EST.	EST.	EST.	EST.
5	CASH ON HAND													
6														
7	EQUITY INJECTION													
8	LOAN PROCEEDS													
9	CASH SALES 1													
10	CASH SALES 2													
11	CASH SALES 3													
12	A/R COLLECTIONS													
13														
14	TOTAL CASH RECEIPTS													
15														
16	COST OF GOOD SOLD 1													
17	COST OF GOOD SOLD 2													
18	COST OF GOOD SOLD 3													
19	SUPPLIES													
20	PAYROLL													
21	PAYROLL TAXES													
22	OWNERS DRAW													
23	ACCOUNTING & LEGAL													
24	ADVERTISING & PROM													
25	CABLE / INTERNET													
26	RENT													
27	REPAIRS & MAINT													
28	INSURANCE													
29	OFFICE & MISC													
30	LOAN (P & I)													
31	LOAN (P & I)													
32	TELEPHONE													
33	UTILITIES													
34	TAXES													
35	VEHICLE													
36	WORKMEN'S COMP.													
37	OTHER													
38														
39	TOTAL CASH EXPENSE													
40														
41	START-UP EXPENSES													
42	RENOVATIONS													
43	PROMOTION													
44	PREPAID EXPENSES													
45	INVENTORY													
46	SUPPLIES													
47	OTHER													
48	OTHER													
49														
50	TOTAL PAID OUT													
51	ENDING CASH													

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DECEMBER 31, 2000

W

WORKSHEET

INCOME PROJECTION FOR YEAR 1, 2 AND 3

NAME OF COMPANY			
	YEAR 1	YEAR 2	YEAR 3
PRODUCT SALES			
OTHER REVENUE			
OTHER REVENUE			
TOTAL REVENUE			
COST OF GOODS SOLD 1			
COST OF GOODS SOLD 2			
COST OF GOODS SOLD 3			
TOTAL COST OF GOODS			
GROSS PROFIT			
SUPPLIES			
PAYROLL			
PAYROLL TAXES			
OWNERS DRAW			
ACCOUNTING & LEGAL			
ADVERTISING & PROM			
CABLE/INTERNET			
RENT			
REPAIRS & MAINT			
INSURANCE			
OFFICE & MISC			
INTEREST			
TELEPHONE			
UTILITIES			
TAXES			
VEHICLE			
WORKMEN'S COMP.			
DEPRECIATION			
OTHER			
OTHER			
TOTAL OP. EXPENSES			
PRE-TAX PROFIT			

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5/2019