

# **Business Plan Workbook**

**...helping U to prepare for and write your business plan**

## **brandUcoaching Mission Statement**

To revolutionize current professional development within the travel industry by inspiring and motivating home-based entrepreneurs through credible, affordable, profit-focused and easily accessible business coaching practices.

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## Cory's Story

I was born, Cory Michael Dmetro Andrichuk, on February 11, 1972 in Calgary, Alberta, Canada. You will often hear me say that I have 36 years of travel industry experience and this is because my parents owned and operated a specialized cruise/travel retail agency all my life. I like to say that as soon as my umbilical cord was cut, they put me to work stamping brochures in the business. Over the years, I watched my parents work hard, sell travel, deal with clients, and coach and mentor staff. They quickly became my first role models. Today, my mother is still in the business and currently sells a million dollars in cruise sales a year!

In 1997, I graduated from the University of Calgary with a Bachelor of Arts degree in Sociology. During my university studies, I began my entrepreneurial career by combining my love of travel, technology and coaching into my own company called Web-Tech Designs. The company focused on Internet education, consultation, and website design. As a result of this enterprise, I was able to graduate debt-free!

I continued along my career path by taking a position as an Independent Contractor with Shaw Cable Systems in 1997. I helped pioneer the 'Super Internet Highway' by introducing Internet Cable-Modem technology in Western Canadian markets. I was recognized as a top performer and given the opportunity to initiate and advance sales relationships with small and medium sized businesses in the corporate market.

As a result of my strong and valued reputation in business and the travel industry, Carnival Cruise Lines recruited me in 1998. They assigned me to one of the company's largest territories in Canada and gave me the title of Business Development Manager. I grew market share by 55% and achieved top sales awards with three brands, Carnival, Seabourn and Cunard.

In 2002, Norwegian Cruise Line offered me Western Canada as a territory to manage, which resulted in my moving to Surrey, 20 miles outside of Vancouver, BC, Canada. In less than three years, I was nominated "Regional Star" and in 2005 I achieved "Global Salesman of the Year" for both NCL and Orient Lines. I was promoted in 2006 and spent two years as a National Channel Manager, devoted to the growth and profitability of 25,000 home-based travel agents, which included managing six elite home-based travel Head Office organizations – over \$30 million dollars in total sales!

Today, I still live in Surrey, BC with my wife of eight years, Cheri (a seasoned cruise industry veteran herself) and our three boys, James, Evan, and Caden. I love to travel (45+ cruises and 15 countries later, but who's counting?!?), music, working out, cooking, playing rugby, and spending time with my family. I love to entertain and fancy myself a great martini mixer! In the future, I would like to write a book on my life experiences, which would promote selling and branding yourself.

I am proud of what I have accomplished over the years; however, I know that my true life's calling has just begun. In 2009, I launched brandUcoaching, a highly-specialized business development company that inspires and motivates home-based entrepreneurs'. I have lived the home-based life my entire career and now look forward to sharing my personal experience with this unique group of entrepreneurs. You will often hear me say I am "Home-Based and Proud!"

**brandUcoaching**

brandUcoaching is a highly-specialized business coaching practice that inspires and motivates home-based entrepreneurs to find their unique brand through thought provoking exercises, innovative business development strategies, and personal attention.

brandUcoaching is designed to assist you on your path of self-discovery. You will be challenged to rethink your point of view and change how you conduct your business by understanding the key differences between being merely "self-employed" and becoming a successful *entrepreneur*.

# A letter from Cory

Dear Fellow Home-Based Entrepreneurs,

Do you know that most home-based travel agents start a business without ever completing a thorough, honest assessment of themselves and their personal, family and business needs and goals? And without this appraisal, the potential to succeed in business is limited?

This Business Plan Workbook is designed for you, the home-based travel entrepreneur. It will help you write a business plan. Before you actually write your plan, you will go through a series of exercises that will focus on helping you visualize your dreams, understand the important differences between being self-employed and being an entrepreneur, and set and write your goals.

Once you have completed the exercises, you will then need to begin the process of writing your business plan. Included at the end of this workbook, is a Business Plan Writing Checklist. Use this tool to help you write your plan.

Most business people in travel have never completed this process; and because you are taking this step, **you will gain a competitive edge over your competition!** This will set a good foundation for the success of your business and that makes good business sense!

Now, it's time to get started...do not wait another day to realize your greatness.

Your business buddy,

Cory M. Andrichuk, BA, MCC  
President  
brandUcoaching inc.

PS: To learn more about me and brandUcoaching, or to sign up for coaching workshops, please visit my website at [www.branducoaching.com](http://www.branducoaching.com) or email me at [info@branducoaching.com](mailto:info@branducoaching.com)

*"Work on your business, not in it." – Michael E. Gerber*

# U the Visionary

As you begin, I want you to think about how you see yourself. Operating a business is a major part of your life. In order to be successful, having a vision of who you are and where you are going is critical.

What is your definition of vision?

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## The Dictionary Says...

**Vision** is...sight; insight; a dream

## Cory Says...

When people ask me how your business is going, I say it's going great! I am living my dream as I had envisioned it. When I first started dreaming about starting my own business, I saw myself working hard, putting in long hours, and making sacrifices to achieve the life I wanted to create for me and my family. I saw myself receiving standing ovations from hundreds of home based entrepreneurs after listening to my powerful and motivational speeches.

Everyone needs to allow themselves to dream.

Dream BIG – really, really big... and don't censor yourself. Expand your imagination! Everything that appears in your world is of your own creation.

***"Vision starts with you and your positive mental attitude"***  
***~Coryism***

Do you have a vision for yourself? Your business? What is it? Think, write or draw about the following questions in order to help you determine your vision for yourself and your business.

1. What makes you passionate?

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2. What do you want out of life?

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3. What are your favorite interests and pursuits?

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4. What are your strengths?

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5. What are your weaknesses?

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6. Ask your friends and family (inner circle) about your strengths and weaknesses. Compare your answers from above to their shared feedback. Write your thoughts.

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Now that you have a good idea of who you are, the next question to ask yourself is where are you going?

Sit down in a quiet place, close your eyes and see yourself positively in a year from now...what you just did is called visualizing

*"The world we have created is a product of our thinking; it cannot be changed without changing our thinking." – Albert Einstein*

## The Dictionary Says...

**Visualization** is...to form a mental image of

## Cory Says...

Visualizing is a powerful tool that helps you gain confidence in yourself. I suggest that on a daily basis you implement the following visualizations:

1. Picture yourself where you want to be.
2. Keep the end in mind at all times as if you have already made it!
3. Counter the inner image that sees a negative outcome with an image of a something positive.
4. Visualize yourself in a position of power.
5. Visualize tasks as easy to handle. If you believe what you have started is overwhelming, it will be. Instead, say to yourself, "*This is really complicated, but I can handle it.*"
6. Walk and talk with confidence even though you don't feel it at first.

## Make Sense!

What do you do with this information? Where do you go from here? You can share your information with others, ask for their opinion, **and** hire a coach!

brandUcoaching provides supports along your journey of self awareness and gives you that gentle nudge to keep you focused on your future. Email Cory today to start on branding U...it makes sense!

[info@brandUcoaching.com](mailto:info@brandUcoaching.com)

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## Additional Resources for U

### Links

<http://www.visionboardsite.com>

### Recommended Reading

Harmonic Wealth – James Arthur Ray

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# U the Entrepreneur

Now that you have an idea of how you see yourself, it's time to think about who you are in your business. Do you see yourself as merely self-employed, or do you see yourself as an entrepreneur?

I see you as an Entrepreneur.

You've heard the word 'entrepreneur' thrown around 'out there' but what does it really mean? Do you know? Think about it and then write your definition of an entrepreneur.

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## The Dictionary Says...

An **Entrepreneur** is...a businessperson who attempts to profit by risk and initiative.

*"Entrepreneurs are risk takers, willing to roll the dice with their money or reputation on the line in support of an idea or enterprise. They willingly assume responsibility for the success or failure of a venture and are answerable for all its facets."- **Victor Kiam, best known for his "I liked it so much, I bought the company" ads for Remington electric shavers***

## Cory Says...

When I ask people what they think an entrepreneur is, they usually describe them as someone who is young, highly adaptable to change, who sees opportunities that others may not see, and rich enough to mobilize resources to make new things happen.

Although some people feel that entrepreneurs are born, not made, experience has shown that **entrepreneurship can be taught**, and that a positive environment encourages entrepreneurial thinking, promotes innovation, and leads to a higher degree of social and economic sustainability. Home-based travel agents **can** become entrepreneurs!

***"Create the right frame of mind; think like an entrepreneur"***  
***~Coryism***

Listed below are some traits of successful entrepreneurs:

- Strong goal orientation
- Willingness to accept calculated risks
- Ability to handle uncertainty
- Withstand challenges without quitting
- Strong desire for independence
- Leadership with determination

Do you see any of these traits in yourself? Of course you do, but how strong are they? Do the exercise below to analyze your entrepreneurial traits. Rate yourself on a scale of 1-5 (1 being the lowest - 5 being the highest).

<p><b>Strong Goal Orientation:</b>  <b>1 2 3 4 5</b>            Set clear yet attainable goals to challenge yourself</p>	<p><b>Withstand challenges without quitting:</b>  <b>1 2 3 4 5</b>            Use failures as learning experiences. Strong capability to build on success</p>
<p><b>Willingness to accept calculated risks:</b>  <b>1 2 3 4 5</b>            Not gamblers! Identified and well-planned ideas require only minimal risk</p>	<p><b>Strong desire for Independence:</b>  <b>1 2 3 4 5</b>            Genuine desire to be ones' own boss, free from external direction and control</p>
<p><b>Ability to handle uncertainty:</b>  <b>1 2 3 4 5</b>            Must be able to live with uncertainty of job security. Face crises and uncertainty without panic</p>	<p><b>Leadership with determination:</b>  <b>1 2 3 4 5</b>            Ambitious, aggressive and optimistic without failure.            Vision + Teamwork + Action = Success</p>

## Make Sense!

Now that you have evaluated your entrepreneurial traits, think, write or draw about how you currently exhibit them and how you can further develop them.

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What do you do with this information? Where do you go from here? You can share your information with others, ask for their opinion, **and** hire a coach!

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## Additional Resources for U

### Links

[www.estrengths.com](http://www.estrengths.com) - An online assessment that further evaluates your entrepreneurial traits.

### Recommended Reading

The E-Myth – Michael Gerber

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# U Setting Goals

You've taken a look at who you are and where you are going and then determined your entrepreneurial traits, now you need to write down what you ultimately want to achieve. This is called setting goals.

Write your definition of a goal

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## The Dictionary Says...

A **Goal** is...the object of effort

*"To begin with the end in mind means to start with a clear understanding of your destination. It means to know where you are going so that you better understand where you are now and so that the steps you take are always in the right direction."*  
– **Stephen R. Covey**

## Cory Says...

According to Dave Kohl, professor emeritus at Virginia Tech, people who regularly write down their goals earn 9 times as much over their lifetimes as the people who don't, and yet 80% of Americans say they don't have goals. 16% do have goals, but they don't write them down. Less than 4% write down their goals, and less than 1% actually reviews them on an ongoing basis. Guess which 1 %?

**A goal is a dream set to paper. Don't just think it – Ink it!**

Now, do anything you can to get your dream out of your head and into concrete form. Write your dreams down!

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Look, they just became goals!

## Make Sense!

What do you do with this information? Where do you go from here? You can share your information with others, ask for their opinion, **and** hire a coach!

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## Additional Resources for U

### Links

<https://www.stephencovey.com/>

### Recommended Reading

The 7 Habits of Highly Effective People, Powerful Lessons in Personal Change – Stephen R. Covey

# Planning U

You've visualized, compared, evaluated and thought about the end in mind, now you need to follow the path to success by writing your business plan. Write down your definition of a business plan.

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## The Dictionary Says...

**Business** means...occupation, responsibility, work

A **Plan** is...a way of proceeding, to arrange beforehand

*"You can't overestimate the need to plan and prepare. In most of the mistakes I've made, there has been this common theme of inadequate planning beforehand. You really can't over-prepare in business!"* – **Chris Corrigan, Australian Entrepreneur, Patrick Corporation**

## Cory Says...

### Why write a business plan?

Writing your business plan will help you identify the strengths and weaknesses of your home-based travel business. This planning and thinking process will help you determine if you should continue doing the same thing and/or pursue a new idea. It will help keep you on track as you grow your business. A business plan also helps you plan for financing and attracting future investors, partners, and key suppliers. **A business plan is essential to your success, period!**

### Your business plan will help you:

- Define your business vision.
- Identify the demand for your home-based travel service
- Decide how to price your service fees
- Establish a total budget with monthly sales forecasting
- Outline your risks and plan how to overcome them
- Design and maximize a marketing strategy with preferred suppliers

## **Tips for writing your business plan:**

### **1. Define your objectives for producing the business plan.**

Ask yourself why you need a business plan in the first place? Who is going to see it? Why are they reading it? How are you going to use it? How will it help you run your business?

### **2. Allocate enough time and resources to thoroughly research your business plan.**

A business plan is only as good as the research that goes into producing it. For example, you will have to do research in order to find out more about: the travel industry, your potential customers, your potential competitors, and your potential sales and costs. OSSN, CLIA, & ASTA are great places to find such resources to help you plan.

### **3. Show drafts of your business plan to others.**

It can be very useful to get feedback on your draft business plan from various people, including people in the travel industry and other professionals like your accountant, business partner, a travel business mentor or a business coach with travel industry experience. Surround yourself with a circle of trusted colleagues to help work on your weaknesses, rather than ignore them and pretend that they do not exist. A head in the sand strategy does not work!

### **4. Write your own business plan.**

One common mistake made by entrepreneurs is to copy too much information from a sample business plan and simply change the names and some of the numbers. There are two big problems with this approach. First, the emphasis you place on various sections of the business plan must reflect what is important in your business.

Second, a good business plan should flow together like a good story; with the sections working together to demonstrate why your business will be successful. Business plans that borrow too much information from other business plans tend to be disjointed, with some sections contradicting others and some key issues being overlooked.

## **5. Outline the key points you want to make in each section before you start your writing.**

Review your outline to ensure that your sections are consistent with each other, that there is no duplication, and that all the key issues have been covered.

## **6. Make sure your financial projections are believable.**

For many readers, the financial section is the most important section of the business plan because it identifies your financing needs and shows the profit potential of your business. A good financial plan will also give the reader confidence that you really understand your business.

Take care not to be overly optimistic or fail to take into account the full costs of running your business otherwise your business plan will not be credible.

## **7. Complete the Executive Summary last.**

The Executive Summary can be the most important section of your business plan because people will read it first and it may be the only section they read. The keys to a good Executive Summary are that it should be short (1-2 pages at the most), it should highlight what is important in your plan, and it should get the reader excited about your business. Write the Executive Summary as the last task in writing your business plan – it sums up your work from an overhead look.

***"Procrastination is the leading cause of disorganization, so let's get U organized and on track to achieve and build greatness!"***  
***~Coryism***

## **Make Sense!**

What do you do with this information? Where do you go from here? You can share your information with others, ask for their opinion, **and** hire a coach!

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## **Additional Resources for U**

### **Links**

[www.gitomer.com](http://www.gitomer.com)

### **Recommended Reading**

The Little Red Book of Selling – Jeffrey Gitomer

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# Business Plan Writing Checklist

Now is the time to use what you have learned and start writing your business plan. The following Business Plan Writing Checklist is meant as a guideline only. It lists the sections of the business plan in the order in which they will likely appear in your completed business plan.

<b>1) The Executive Summary</b>	<input type="checkbox"/>
<p><b>An Executive Summary is devoted to summarizing the key points of your business plan in one or two pages. The Executive Summary is important to capture the reader's attention (potential lender or investor). Make sure it sells your idea so the reader will retain interest and continue reading the remainder of your business plan. Some key points to include are:</b></p> <ul style="list-style-type: none"><li>• Description of your company (i.e. A home-based travel &amp; cruise company)</li><li>• Describe the nature of the travel business, market area, the product and services you offer.</li><li>• What is your competitive advantage? (i.e. Family Caribbean group cruise specialist; OSSN member, CLIA-ECC, Royal Caribbean Cruise Line specialist).</li></ul>	
<b>2) Products and Services</b>	<input type="checkbox"/>
<p><b>The Products and Services section should describe what you sell (i.e. travel products, insurance) and how you differentiate your products (i.e. focus on cruise) and services (i.e. offer newsletters and agency members club) from other competitive offerings. It provides detail on what your business does and begins to describe how it will generate revenue.</b></p>	
<b>3) Market Analysis</b>	<input type="checkbox"/>
<p><b>The Market Analysis section will provide an overview of the travel industry, your primary (i.e. baby boomers) and secondary (i.e. family) target markets and an investigation of your direct and indirect competitors. It should include the following subsections:</b></p>	
<b>3.1) Market Research</b>	<input type="checkbox"/>
<p>The <b>Market Research</b> section provides a summary of all the information you collected regarding the travel industry and your potential competition in order for you to determine that there is a demand for your product and service.</p> <p>This is a particularly important section for start-up travel businesses or if you are planning on offering a new product or service. This should include the following subsections:</p> <ul style="list-style-type: none"><li>• Primary Research – Information you collect firsthand, including personal interviews and discussions, surveys, etc.</li><li>• Secondary Research – This includes information from second-hand sources, such as travel websites, books, publications, associations (i.e. OSSN, CLIA)</li></ul>	

### 3.2) Travel Industry Analysis



The **Industry Analysis** describes trends, major players in the travel industry, and estimated sales. Information can be found by researching travel industry websites (i.e. OSSN, CLIA, ACTA) and publications. It also examines:

- Total travel industry size (revenue generated, number of companies, etc.)
- Growth potential and factors influencing the travel industry growth.
- Standards and regulations affecting the travel industry.
- Common costs and profit margins.
- Travel industry trends, including opportunities and threats, major players, and estimated sales.

### 3.3) Customer Analysis



The **Customer Analysis** examines your primary target market (i.e. baby boomers) including their geographic location, demographics, their needs and how these needs are currently being met. To find this information, look at statistical websites and publications (i.e. government – state, city, etc.). This section covers the following:

- Identify and define your typical customer segments (i.e. baby boomers, empty nesters, singles, families)
- Characterize each segment by location, age, gender, income, lifestyle and any other relevant characteristics.
- Discuss the buying criteria of your target market – i.e. what motivates this group to make the purchase decisions it makes? (i.e. price, quality, location, etc.)
- Market niche (i.e. luxury cruises, sail ships, single cruising, family cruising)
- Size of your market, and your anticipated market share.
- Market trends and outlook.

### 3.4) Competitor Analysis



The **Competitor Analysis** investigates your business's direct and indirect competitors, assesses your competitive advantage and analyzes how you will overcome any entry barriers to the travel industry. One way to gain information is to research your competitor's websites. This section covers the following:

- The similarities and differences between your product and service and those of your competitors as well as your competitors' relative strengths and weaknesses.
- Your competitive advantage – what makes your product and service unique, and how will you use this to your advantage?
- Detailed description of your main competitors, including their size, location, products and services and their share of the market.

<b>4) Marketing Plan</b>	<input type="checkbox"/>
<p><b>The Marketing Plan explains how your business is going to get customers to buy your services. This section will provide a detailed explanation of your pricing, promotion and distribution strategies. Subsections included are:</b></p>	
<b>4.1) Pricing</b>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>• Describe your pricing strategy and how you arrived at it, including your pricing relative to your costs.</li> <li>• How much do you charge in service fees and why? YES you are worth it!!!</li> <li>• How do your prices compare to those of your competition?</li> </ul>	
<b>4.2) Product Positioning</b>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>• Describe how your service is presented in the market (i.e. luxury item, impulse buy, specialty item)</li> <li>• Describe tools used to solidify the appropriate image and positioning of your product and service in the market. (i.e. Websites, E-Marketing, Car signage)</li> </ul>	
<b>4.3) Promotion and Advertising</b>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>• Describe your promotional strategy, based on your target market and positioning.</li> <li>• Provide a detailed description of the types of advertising and promotion you will use to reach your target market (i.e. media advertising, direct mail, Internet, trade shows, press releases)</li> <li>• Include a timeline and associated cost for each major type of promotion and/or advertising you plan to use as well as an annual budget.</li> <li>• Describe how you will measure the effectiveness of your promotional efforts (i.e. track responses to a newspaper ad, attendance at cruise nights)</li> </ul>	
<b>4.4) Sales Strategy</b>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>• Based on your research, what are your sales goals per day/month/year, including any anticipated seasonality in sales? (i.e. Wave season, summertime)</li> <li>• How will your sales be conducted and who will be primarily responsible for sales?</li> <li>• Describe what resources will be allocated in sales in terms of both time and funds.</li> <li>• Outline your company's services policies, guarantees, terms and conditions.</li> <li>• Outline your credit and collection policies.</li> <li>• Explain how you will determine customer satisfaction.</li> </ul>	
<b>4.5) Distribution Strategy</b>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>• Include all aspects of how your product is routed from your business to your customer (i.e. email, postal system, fax, courier)</li> </ul>	

## 5) Management Plan



**When writing the business plan, the Management Plan section describes your management team and staff and how your business ownership is structured. The Management Plan can be broken down into the following sections:**

### 5.1) Ownership Structure



This section describes the legal structure of your business, determining if it is a sole proprietorship, partnership or corporation. For partnership and corporation businesses, you may want to explain who holds what percentage of ownership in the company.

### 5.2) Management Team



Under this section, describe the duties, responsibilities and relevant skills of your management team. Include information about entrepreneurial and industry experience. A background explanation is also relevant if it helps to tell your story.

### 5.3) Human Resources Needs



Outline your staffing requirements in this section including a description of specific skills that the people working for you will have to have. Identify if it is best for your business to have employees (full-time or part-time staff) or contract workers (i.e. accountant, bookkeeper, lawyer) or students (i.e. database entry, filing, deliver marketing flyers). Then determine how many employees your business will need and what will it cost you.

## 6) Operating Plan



**The Operating Plan provides a description of your business's physical location, facilities and equipment, kinds of employees needed, group inventory requirements and suppliers, and any other applicable operating details. The following details can be included in your Operations Plan:**

### 6.1) General



Do an outline of your business' day to day operations, such as the hours of operation, and the days your business will be open. Also include the licenses, permits, and business insurance required as well as type of regulatory issues.

### 6.2) Physical Location



Describe the type of premises in which the business will be operating in and the size and location (i.e. spare room in your home – ensure that a proper location within your home is established as a professional space to conduct business.)

<b>6.3) Equipment</b>	<input type="checkbox"/>
<p>Besides describing the equipment necessary and how much of it you need (i.e. computer, fax, printer, telephone), include its worth and cost, and explain any financial arrangements (lease or loan).</p>	
<b>6.4) Assets</b>	<input type="checkbox"/>
<p>Make a list of your assets, such as computers, and office equipment, furniture, and vehicles. Include legal descriptions to the best of your knowledge and the worth of each asset (i.e. warranties, vehicle depreciation).</p>	
<b>6.5) Production</b>	<input type="checkbox"/>
<p>Explain the process you go through to attract a client (i.e. marketing), sell a client a travel or cruise product (i.e. your sales process including negotiated rates with your preferred suppliers), the paperwork process (i.e. computer inputting, mailing/couriering documents) and the methods to retain your client (i.e. repeat and referral incentives).</p> <p>Include factors that may affect the time frame of selling, servicing, and details when you are sick, away on vacation or corporate travel time and how you will deal with these factors. (i.e. back up buddy system – a friend or colleague)</p>	
<b>6.6) Personnel</b>	<input type="checkbox"/>
<p>List the number of staff required including contractors and their qualifications, labor availability, wages, and benefits, training, personnel policies and workers compensation issues.</p>	
<b>7) Financial Plan</b>	<input type="checkbox"/>
<p><b>The Financial Plan includes balance sheets, income statements and cash flow statements. The balance sheet compares what your business owns to what it owes.</b></p> <p><b>The cash flow statement compares how much money will be coming in to how much you will be spending. The income statement compares your revenues to your expenses to see if you are going to make money. *Consult a certified accountant when producing your balance sheets, income statements and cash flow statements.</b></p>	
<b>7.1) Balance Sheet</b>	<input type="checkbox"/>
<p>The <b>Balance Sheet</b> is a snap shot of the business at any point in time. In the case of a business start-up, it is often the starting balance sheet. A balance sheet is made up of three parts.</p> <p><b>Assets:</b> Things a business owns (must be paid for, no loans)  <b>Liabilities:</b> Debts a business owes  <b>Equity:</b> The owners' investment and re-investment in the business</p>	

Therefore, you get the following formula: **Assets = Liabilities + Equity**

The balance sheet is extremely important as it gives the reader a picture of how the business is being financed through the owners' money (equity) or through the creditors' money (liabilities).

## 7.2) Cash Flow Statements

**A Cash Flow Forecast is probably your most important financial tool.** It is your cash flow that shows you if, and when, you will run out of cash essential to run your business. It allows you to take action before problems occur and even to do "what if" calculations before taking on new projects.

The cash flow is a 12-month projection that forecasts the receipts and disbursements for your business. In a start-up situation, it is preferable to have a start-up month to specifically show the reader the costs incurred to start the business.

## 7.3) Income Statements & Forecasts

The purpose of the **Income Statement** and the **Forecasts** is to project the revenues and expenses of your business over a given period of time – usually one year. Other terms for this are budgeted income statement or pro forma income statement. There are three things that need to be predicted to forecast your income statement: the sales projection, the cost of goods projection and the overhead projection.

## 8) Risk & Contingency Plan

**Your Risk & Contingency Plan should discuss possible challenges, issues and barriers that your business may encounter. These can be external (i.e. economic downturn, disease outbreak) or internal (i.e. less than projected sales). State positive plans to minimize these risks.**

## 9) Appendices

**The Appendices section should include any supporting material that you have referenced in writing your business plan. These materials may include a summary of market research surveys, contracts, price lists, detailed or technical information on service, owners' resumes, etc.**