



Business Plan Outline

I. SYNOPSIS

- A. **Executive summary.** Write this last. Highlight key information from the plan-who you are, what you are going to do, why and how it will be financed. (Not in detail, that comes in the plan itself.)

II. BACKGROUND

- A. **History.** One page on how the Co-op got to this point: How/who/why it was started (vision), bringing it up to this time. Key accomplishments to date.
- B. **Ownership.** Legal structure (incorporation), number of member-owners currently and expected numbers by opening. Equity investment structure, current total and expected equity at opening.

III. INDUSTRY ANALYSIS

- A. **Economic environment.** Current and coming economic issues.
- B. **Trade area.** Description of trade area (usually taken from market study).
- C. **Trends.** Description of relevant trends in the natural foods industry, cooperatives, and trade area.
- D. **Regulatory Issues.** Anything impacting the Co-op's ability to do normal business.
- E. **Competitors.** Describe all potential competitors' strengths and weaknesses and how they will impact the Co-op.

IV. MULTI YEAR VISION

A page or two narrative on where you intend to take the Co-op over the next 5 yrs. Additional services, greater community penetration, new programs, etc.

V. STRATEGY

- A. **Assumptions.** Highlight key assumptions used to accomplish vision. Focus on the next year but show approach over 5 years. Include the foundation for Co-op success such as membership growth, sales growth, margin management, expense control, focus, education and outreach, community owned business model, etc. Break out membership indicators (# of members each year, equity, member benefits, member involvement, et.) and explain why these things will occur.
- B. **Key Success Factors.** Describe the key factors of success that are within your control and how you will use those - strong leadership (Board), experienced management, industry savvy, community owned business in a time of people supporting their communities, management team economic issues, fresh foods focus, local, etc.

- C. Distinctive Competence. Describe what you can excel at doing to compete - knowledge of market, knowledge of industry, membership loyalty (the Co-op advantage), know how to make money, management team.
- D. Critical Issues. Identify the critical issues that may be outside of your control that are needed for success - bank support, community acceptance and support, finding experienced management, etc.
- E. Risks. Describe what steps you will take if the critical issues do not turn out as you wish. Financial risk will be addressed in the financial section but there are other risks: hiring management, lack of membership growth, etc.
- F. Technical Support. Describe the technical support that is built into the plan and budget - UNFI, NCG, CDS CC, lawyer, accountant, community resources.
- G. Resources. Describe the resources the co-op will have access to - NCG, CGN, CDS CC, specific technical expertise on your board, other GMs, consultants, etc.
- H. Proposed Process and Timeline. What you want to accomplish and when from now until opening day.

VI. MANAGEMENT

- A. Key Personnel. Brief bios of key members of management team (one –two paragraphs) including experience in the industry, past successes and relevant info, strengths.
- B. Management Coaching and Support Identify anyone outside of your organization for support-other GMs, CDS CC, NCG.

VII. BOARD

- A. Strengths and Weaknesses. Not of individuals but the Board as a whole. Strength-in touch with membership, understand retail business, average tenure, etc. Weaknesses-turnover, lay people, volunteers, etc.
- B. Training and Ongoing support. What regular training will the Co-op participate in (CBLD, CCMA, NCG).

VIII. MARKETING

- A. Analysis. Info from recent market feasibility study.
- B. Opportunity. Describe the market opportunity the co-op will take advantage of. (Underserved market for these type of goods. Increase market share over the next 5 years, community involvement. Become premier community foods operation.)
- C. Positioning. Describe the market position - How will you market yourselves? What will your messages be-to whom? What tactics will be used to grow? Expected average basket and customer count? Advertising plan and marketing budget total (budget will be an addendum).
- D. Customers and Needs. Describe your core customer and their needs. Use summary of surveys and other data to demonstrate that you understand community and its needs.
- E. Products. Describe the product selection plan. For example- Full line grocery stores featuring conventional/natural/organic/local. Crossover products to attract others. Fresh foods focus.
- F. Trade area. Describe the trade area the co-op is targeting.

- G. Services. Describe any special services the co-op will offer. For example check cashing, credit union, delivery service.
- H. Prices. Describe the pricing strategy.
- I. Promotion plan. Describe the planned in-store promotional strategies.

IX. PERSONNEL

- A. Productivity. Describe the tools and strategies the co-op will use for labor productivity.
- B. Experience. Describe the staff experience you have or will seek and any labor market highlights.
- C. Policies. Describe your approach to personnel policies.
- D. Training. Describe training and development programs.

X. INVESTMENT STRUCTURE

- A. Term Sheet. Describe what you want from a lender.
- B. Ownership. Shares/equity current and planned.
- C. Sources and Uses. Summary from pro forma.
- D. Leverage. Include key ratios with brief explanations including Debt to Equity, Current and Quick.

XI. FINANCIAL

- A. Summary. Financial section of pro forma with a prose summary.
 - 1. Income Statement
 - 2. Balance Sheet
 - 3. Cash Flow
 - 4. Working capital
- B. Budget. Projected capital expenditures over the first 3-5 years and how they will be financed.
- C. Financial Risk Assessment. Describe risk factors, what can go wrong and how the risks will be mitigated. Do not be afraid to identify risks. Lenders will see you as a realist, rather than a pie in the sky organization. Common risk factors are: Not meeting sales goals, Labor costs too high, Margin too low, Loss of key personnel. For risk mentioned, include a brief plan as to what you would do if it came to fruition.

XII. OTHER

- A. Addendums. Include any other documents you feel will be helpful for a lender to see. For example: Mission, Vision, Incorporation document, Bylaws, Pro forma, Market Feasibility summary, and Marketing budget.