

Business Planning

Clearly the purpose of Vocational Rehabilitation is to assist individuals with disabilities into employment. The Montana Vocational Rehabilitation Counselor must have a written business plan prior to writing a rehabilitation plan. If a business venture will not be generating income for the individual beyond just operating the business, Vocational Rehabilitation may not participate.

If the business to be started is small then your Rehabilitation Counselor may suggest that an abbreviated business plan may be completed for Vocational Rehabilitation. If the business is complex, if it will be reasonably expensive to start up, or if other programs or loans will be a part of business start up, then a full formal complete business plan may be necessary.

Abbreviated Business Plan format

1. **Explanation / executive summary:**

In a paragraph or two, please tell the story of your business so that anyone reading the information will be able to understand. This is a summary. Greater detail on some issues is necessary as you proceed. Your summary needs to be written in easy to understand wording and include:

- A. What is the business?
- B. How will it work? – what will be your product or service?
- C. Who will be doing the work – will others be helping with work or with managing the business?
- D. Why are you suited or prepared for this business ... do you have the skills?
- E. Where will the work be done?
- F. What do you believe it will take to get started?
- G. Why do you believe this business will make you money or give you income beyond just operating the business?

2. **Product or service:**

- A. In greater detail, what you will sell or provide for the customer?
- B. Explain your pricing structure ... How are or were the prices determined?
- C. Possibly include or be able to show your product or be able to demonstrate or provide verification that you can successfully provide the service.

3. **Competition & Marketing:**

- A. Please clarify or show what is known about your competition. How do they operate? What are their prices? Where are they, etc? How do their prices compare to yours?
- B. How are you going to get customers or advertise?
- C. How do you know you will get customers instead of others getting business?

4. **Cash flow & Financial:**

- A. As best you can, describe your monthly income and expenses (month by month) in the business for the first six months of operation. Be as detailed as possible instead of just summarizing a total. For expenses, how much for phone, advertising, rent, supplies, etc. For income, what items sold and how many, or for services what will be done and how many.
- B. Please give an example of how you will be recording or documenting: Give examples of the record keeping (possibly including examples of invoices, receipts, ledgers, spread sheets, computer program printouts, etc.)
- C. Will others be assisting you in keeping records, doing taxes, etc?

5. **Detail of what is required to get the business going:**

Please write a list in as much detail as possible, what is required to get the business started including:

- A. Item or services that must be purchased by name and description - possibly including: brand, model, color, SKU number, etc.
- B. Where can the item or service be obtained?
- C. Why is the item or service required?
- D. What is the exact cost of the item or service?
- E. Who will pay for the item or Service that is needed?

6. **Conclusion:**

Please write a concluding statement.

- A. How are you going to know whether or not the business is succeeding?
- B. How will you know whether or not you need to discontinue the business?
- C. What income will you have? As shown by your spread sheets, projections, etc.

7. **Additional documentation:**

- A. If the business is a partnership or shared venture, Vocational Rehabilitation must be given copies of the partnership agreements.
- B. Vocational Rehabilitation must be given release of information permission for banks, lending institutions, credit reports relating to you as an individual and or in relation to the business.

It is important to remember that any durable items purchased or financed by Vocational Rehabilitation are only loaned. Vocational Rehabilitation must be able to successfully close the case for ownership of durable items to be fully given to a client.

Full business plan

Full business plan formats are available at a variety of locations. There are also sample business plans listed in a variety of locations.

The Business Plan outline listed below is from the U.S. Small Business Administration and is available at: http://www.sba.gov/starting_business/planning/writingplan.html

Writing the Plan

What goes in a business plan? The body can be divided into four distinct sections:

- 1) Description of the business
- 2) Marketing
- 3) Finances
- 4) Management

Addenda should include an executive summary, supporting documents, and financial projections. Although there is no single formula for developing a business plan, some elements are common to all business plans. They are summarized in the following outline:

Elements of a Business Plan

1. Cover sheet

2. Statement of purpose

3. Table of contents

I. The Business

- A. Description of business
- B. Marketing
- C. Competition
- D. Operating procedures
- E. Personnel
- F. Business insurance

II. Financial Data

- A. Loan applications
- B. Capital equipment and supply list
- C. Balance sheet
- D. Breakeven analysis
- E. Pro-forma income projections (profit & loss statements)
Three-year summary
Detail by month, first year
Detail by quarters, second and third years
Assumptions upon which projections were based
- F. Pro-forma cash flow

III. Supporting Documents

- Tax returns of principals for last three years Personal financial statement (all banks have these forms)
- For franchised businesses, a copy of franchise contract and all supporting documents provided by the franchisor
- Copy of proposed lease or purchase agreement for building space
- Copy of licenses and other legal documents
- Copy of resumes of all principals
- Copies of letters of intent from suppliers, etc.