



# Getting to “Yes” with a Solid Business Plan.

## Highlights



### Your business plan is your most important tool

An effective business plan identifies a need for a product or service in a market that supports meaningful and profitable growth. It also shows a balance of optimism and realism on the part of the owner(s) and a passion for making the endeavor successful. Solicit friends in business, professionals or other knowledgeable peers to review your plan- their input can help you see things in a new way and ensure your plan becomes a roadmap for your success.

There's good news for growing small businesses. As the financial crisis fades further into memory, banks are more eager to help them finance their growth. Lenders are looking to partner with businesses that are well-positioned for growth. That is determined through a well-conceived and thoroughly prepared business plan. When seeking financing for your business, that should be your initial focus.



### Creating a compelling business plan

**Executive Summary.** The Executive Summary is an opportunity to differentiate your business. You need to quickly and concisely convey to the lender why it should partner with you. Over 90% of business plans that land on a lender's desk will not be read past the Executive Summary. While it is the first section of the plan, it should be written last to ensure careful thought is given to its content.

**Business Background.** This section provides a more straightforward description of your business that includes its mission, history, current activity, recent results, and other relevant information.

Include brochures or other business identity collaterals in an appendix.

**Market Analysis.** The market analysis demonstrates your knowledge about the market and customer needs, including how your business is positioned to win. Your market analysis should include assessments of market size, addressable market (how much your business can realistically capture), and growth potential. It should also provide an analysis of the competitive landscape and broader industry trends.

**Sales and Marketing.** Now that you've described your business Summary and market, show how you'll use that information to execute a winning strategy. How are you going to be

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### Key business plan considerations

For a business plan to be considered favorably by lenders, it must answer the following questions:

- Can the business generate the necessary cash flow in time to make the loan payments?
- Can it ensure its long-term viability to be able to fully repay the loan?
- Is there enough demand for your business' product or service?
- Does the plan show that you understand the market and its competition?
- Does it clearly demonstrate a strategy for producing and delivering its product to its target market?
- Does your business have the right management team in place?

A business plan that can effectively address these questions will receive serious consideration by lenders. In addition, lenders need to have confidence in your business's financial stability and ability to manage cash flow, which is illustrated through your financial statements.

different, or better than your competitors? How are you going to turn that advantage into a successful business? Give the nuts and bolts of your strategy here. It is critical to demonstrate the business' value proposition, that is, how the product or service is different from others offered by competitors. Some important marketing plan elements include pricing, distribution and promotional plans.

**Financial Statements.** It is important to understand how much funding is required and how you will use the funds received from your lender. Most lenders will require financial projections, especially if you're applying for an SBA (Small Business Administration) loan. Many will require at least a 3-years

history of your Income Statement, Balance Sheet, and Statement of Cash Flows. If you aren't 100% confident in preparing these documents, it's ok to ask for the help of an accountant to make sure you get this right.

**Management Profile(s).** Strong leadership (or a strong team) is essential for achieving success. Provide a summary of your organizational and management structure. Lenders want to know you or your management team is capable of successfully growing a business. Describe the experiences, qualifications and skills of your executive team. This could be the most important section next to the executive summary. The rest of the plan could be meaningless if the lender has little confidence in management.

## Know-how makes your business a success story.

For over 175 years, People's United Bank has begun every business banking relationship by taking the time to listen and learn about each individual business. That's how we're able to craft superior solutions that specifically address our customers' needs.

We recognize that successful businesses require a variety of financial services, and we deliver these services locally. Our business banking experts serve as your key point of contact. All of which sets the stage for a relationship based on trust and expertise.

\*Credit approval required.

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<sup>2</sup>Insurance available through People's United Insurance Agency, a subsidiary of People's United Bank. All accounts are subject to underwriting approval.

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### Business Deposit Products

- Business Advantage Checking
- Premier Business Checking
- Business Money Market, Savings and Certificates of Deposit (CDs)
- Treasury Management
- E-Treasury+ Online Banking
- Remote Deposit Capture
- Business Mobile Banking

### Business Credit Products\*

- Business Credit Lines and Term Loans
- Commercial Mortgages
- Equipment Financing
- Asset-Based Lending
- Business Credit Cards with Rewards

### Business Financial Services

- Merchant Card Processing<sup>1</sup>
- Business Insurance<sup>2</sup>
- Retirement/401(k) Plan Services
- Business Succession Planning
- Workplace Banking

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