



SAMPLE OUTLINE for a BUSINESS PLAN

The Rainy River First Nations Trust is currently reviewing and further developing the policies and procedures required for Section 8.2 (b) (ix) which provides opportunities for submission that will “promote or establish a business or commercial operation.” The following information outlines the key areas that must be included in a business plan submission under Section 8.2 (b) (ix). The Rainy River First Nations Trust encourages business applicants to contact the Trust Office to discuss the submission process and request further details.

Please note that the information provided below is a starting point for a business submission/development of a business plan and additional information may be requested by Trustees during the review process.

Executive Summary

The Executive Summary is your opportunity to outline the business with a concise and accurate description of your plan. The following questions will help you begin drafting your Executive Summary:

- What prompted this venture? A brief background on why you are taking this project on and why this is a good opportunity for you and the Rainy River First Nations Trust.
- What business are you in? A brief description of your business will provide an overview of your business.
- What are your plans? A brief summary of your business idea will help others understand your vision.
- How much financing are you looking for? Be realistic. Keep in mind the amount of money your business will need for start-up costs, as well as cash flow in the early stages.

Background

Before you begin drafting your Background, you must determine your business goals for the future. The purpose of your plan is to explain your business and answer the questions and concerns of the Rainy River First Nations Trust.

What do you expect to achieve as a result of preparing this business plan? Stating your goal will help you to remain focused throughout the planning process.

State which section of the Trust you are applying under. Keep the intended audience, the Trustees of the Rainy River First Nations Trust, in mind at all times, and remember to provide all of the information that you feel they would consider relevant.

Business Overview

The Business Overview section will provide the Trust with additional information about the business including key considerations regarding:

- What experience you have that is specific to your product or service and specific to running a business that will lead to the success of this venture?

- What is your timeline for establishing this business and being up and running? Is the business seasonal? If so, how will the timing of financing impact startup timing. It is important to be realistic.
- Who owns (or will own) the business. Provide any legal shareholder, partnership, incorporation, etc. documents as an appendix. *It is important to note that the Rainy River First Nations Trust may have policies in place that have a requirement for percentage of ownership etc.*
- Have you consulted with lawyers, accountants, consultants, or industry specialists? If so, describe what you have done.
- Highlight some of the key considerations as you begin this venture such as competitors, customers, and suppliers. The detail will be provided in the next five sections but some highlights can be mentioned within the Overview.

Critical Strengths & Weaknesses of My Business

Once you have identified the most critical elements, you are better able to allocate limited resources where they are most needed. It is important to provide a summary of the strengths and weakness that may exist within your business venture. This can be provided in a brief summary with further details being included in the business plan under each section. The following areas must be addressed within this section:

- **Management** - How strong is your current management team?
- **Product or Service** - Will your product or service differentiate itself in the marketplace?
- **Marketing** - How much will your business have to promote?
- **Operations** - How capital-intensive and time-sensitive is the delivery of the product or service?
- **Employees** - What kind of people does your business need? Are they easily accessible?

Management

The skill and talent of your management team is one of the truly unique elements your company offers. Illustrate that you have a capable, diversified management team in key positions such as: Leader/Visionary; Administrator; Financial Officer; Operations Manager; Marketing Manager; Human Resources Manager; and Technology Manager.

Where are the specific weaknesses in your team? How do you plan to deal with this? For example, will you train existing management, retain outside consultants, or recruit new individuals?

Describe your contingency plans in case a key person becomes ill for an extended period of time. Does remuneration measure up to industry standards? What incentives and benefits are you offering?

Products and Services

It is vital to provide a description of your product or service within your business plan. You must identify each product or service that your business will be providing and its key features and benefits.

You must also compare your product or service to those of your competitors and identify why it is better.

Other Considerations – Is your product patented? Describe any research and development (R&D) activities underway. What are the anticipated results of this?

Sales and Marketing

A well thought out sales and marketing plan is a critical part of your business plan. You must demonstrate an ongoing need for your existing product or service, or an unsatisfied need that your new product or service can fulfill at a profit.

Your business plan Sales & Marketing section should include (but is not limited to) information on the following areas:

- What is the annual gross revenue from all sales generated within your market?
- Is this market growing or shrinking?
- What percentage of the market share (based on total market revenue) do you now have? How much market share do you realistically intend to have in 12 months?
- If this is a new product or service, what are the wants and needs that your business fulfills?
- How have you verified this need? Attach any market research undertaken. Has your product or service been market-tested?
- If new participants to this market are generally weak and unsuccessful, how will you be different?
- Who are your customers?
- Generally, will your product be competing in the low-end, mid- or high-end of the market?
- Identify your major competitors and catalogue their strengths
- Produce a schedule of required sales and marketing tools, their timing and costs.
- What are your specific marketing objectives for Year One?
- What are your specific sales objectives for Year One?

Operations

It is important that you outline the processes that will get your product or service to the marketplace. The following areas must be addressed in the Operations section of your business plan. Further information may be required based on your business venture:

- What (if any) are your manufacturing or production processes?
- Describe your key equipment and any technology used.
- List your key suppliers and why you do business with them.
- Have you considered leasing or renting assets vs. buying? Outline the benefits of each and why you concluded to buy or lease/rent.
- How do you manage inventory levels?
- Where do you plan to locate your business?
- For your location, describe the details of any lease, rental, or purchasing agreements.

Employees

Understanding the importance of hiring and managing employees is a key step in developing a successful business plan. The following details must be addressed within this section of your submission.

- Describe the strengths and weaknesses of your employee team.
- What makes your company attractive to potential employees?
- What skills will your employees require?
- What role will technology play in your company?

- Do you have training programs in place for all employees?
- How does your employee compensation package measure up against industry standards?
- Are you unionized?

Key Risks

Every business enterprise has risks, either inherent in the business or found in external factors over which you have little control. It is important to describe the possible negative scenarios that could exist within your business venture and the effects that these could have on your business. As well, it is equally important to describe how you would handle these within your business.

Examples of Common key risks include:

- Access to funding
- Establishing yourself in a competitive market
- Regulatory approvals
- Reliance on a supplier or customer
- Access to labour
- Reliance on one or two key people

Key Success Factors

The 'flip side' to risk factors is success factors. These are the positive events or circumstances that will impact the success of the business. It is important to describe the possible scenarios that will support success, how these will be evident in your business and how to ensure the most favourable results.

Examples of Common key success factors include:

- Securing a significant customer
- Facility is operational in a timely fashion
- Key employees are retained
- Government / regulatory approvals are reached

Financial Data

One of the most important components of your business plan is the financial data. Your plan must indicate that you will have the necessary financial structure in place to manage the income and expenses for the future. Financial data should also include a budget request for Trust funding, which clearly outlines what you are seeking from the Trust and provides details around your required minimum 5% personal contribution to the business. In the event goods/services are being purchased as part of the budget, a minimum of two quotes are required for each and must be included in the Appendices.

The plan should include:

1. Clear business budget for funds being requested from the Trust which includes details pertaining to funds being put into the submission as part of the required minimum 5% personal contribution.
2. Projected financial statements for at least three years (*first year monthly or quarterly*), including:
 - Significant Assumptions to Financial Projections
 - Balance Sheet
 - Income Statement
 - Cash Flow Statement

3. Previous three years' financial statements (if applicable)

4. Statement of personal net worth

You will also want to consider the following questions: Have you developed alternate financing options? What will happen if you don't receive the financing?

Appendices

You may want to include additional information in a formal Appendix. This could include the following:

- Resumes of key managers
- Pictures of products
- Professional references
- Financial statements and market studies
- Pertinent published information
- Patents
- Significant contracts
- Newspapers or magazine articles about your company or industry

***NEW:** In the event RRFN facilities and/or property are being utilized for any component of the business plan activities, written approval from RRFN must be included in the submission.

To ensure your business plan is comprehensive and complete, it would be beneficial to ask yourself the following 10 questions:

1. Have I covered all areas of my business plan?
2. Do I have the expertise to cover all of these areas (myself or with hired experts)?
3. Have I set specific goals for my business that are measurable?
4. Can I stick to my projected budget?
5. Should I extend credit to my customers and if so can I afford it? Do I have defined terms to allow my customers to know what is expected?
6. If I have to carry inventory can I get assistance from my suppliers?
7. Do I have enough financial resources to handle any shortfall in my expected plan?
8. Have I identified my top five risks of failure? Do I have a specific plan for each of these risks?
9. Do I have strong relationships with my advisory team – accountant, banker and lawyer?
10. Do I have full confidence in myself and my abilities to be successful?

Please note that additional information may be requested during the review process.