

PERSONALIZED COVER LETTER

The cover letter requests a loan from the lender or banker. The letter should include the dollar amount and the purpose of the loan. Don't forget to indicate how you can be reached – phone #'s

**QUICK MART, INC.
Highway 3 and Main Street
A Convenience Store in 199x**

Stanley and Virginia Smith, Owners
123 Fourth Street Drive, Fortsville, Texas 55555
(512) 555-5555

Today's Date

Mr. Big Moneybags, Loan Officer
Valley Bank
123 Main Street
Boulder, Texas 78555

Dear Mr. Moneybags,

Quick Mart, Inc. requires \$100,000 to renovate and operate a full-service convenience store. Of this amount, \$30,000 will be invested by Stanley and Virginia Smith. An SBA guaranteed loan of \$70,000 is requested for a period of fifteen years. The collateral to secure the loan will be the real estate, inventory, furniture, fixtures, and equipment belonging to the business. Personal assets are available for negotiation as additional collateral.

The enclosed financial proposal shows this to be a profitable business venture. There is a market for this service and the future growth is promising. Sufficient owner investment and collateral is provided and the financial statements show the ability to repay the loan. We have the experience, knowledge and desire to make **Quick Mart** a success!

We will phone next week after you've had the opportunity to review this financial proposal. Thank you in advance for your time and interest!

Sincerely,

Stanley Smith

Virginia Smith

(SUGGESTED OUTLINE AND SAMPLE)

**FINANCIAL PROPOSAL
BUSINESS PLAN**

Quick Mart, Inc.

submitted by:

Stanley A. and Virginia M. Smith
Highway 3 and Main Street
Fortsville, Texas

512/555-5555

Today's Date

***EXECUTIVE SUMMARY** - summary of entire business plan - not more than one page in length - Write the summary after you finish the business plan.*

QUICK MART, INC.
FINANCIAL PROPOSAL
EXECUTIVE SUMMARY

Quick Mart, Inc. requires \$100,000 to renovate and operate a full-service convenience store in Fortsville, Texas. A \$30,000 owner injection is being pledged by the husband and wife team of Stanley and Virginia Smith. The business will be operated as a Texas Subchapter S Corporation, and will offer grocery, household, pharmaceutical, and novelty items, as well as operating a snack bar and fuel island.

Mr. Smith's extensive industry experience includes 10 years in the operations and management of 7-11 Stores in South Texas. Mrs. Smith has several years experience in accounting support services and will play an active role in the financial management of the business.

Extensive primary and third-party research indicates that, given the seasonal nature of this geographic area, Quick Mart's projected base of residential customers will be complemented by an influx of winter tourists and hunters. Further, Quick Mart's highway location and billboard marketing campaign will attract commuters in this rapidly developing economic area. Direct competition is limited to Fred's Fruit Stand, a small business offering fresh fruit, vegetables, and a variety of canned goods. Indirect competition is found with HEB and Super S in the neighboring community of Boulder.

Mr. and Mrs. Smith anticipate that their success will be furthered by offering goods and services not available at any other store in Fortsville: novelty tourist items, pharmaceuticals, and Senior Citizen discounts. The Smith's ability and willingness to invest substantial cash in the launching of this business is further strengthened by the lack of personal financial dependence on business profits during the early years of the business.

Financial Summary

A review of this financial proposal shows Quick Mart to be a sound, low-risk investment. Cash flow is more than sufficient to service the debt as indicated by the Debt Coverage Ratio of 2.72 and Gross Profit Margins are comparable to RMA Industry standards. First year sales are projected at \$250,000, with only \$157,862 required for breakeven cash. The debt/equity ratio is reasonable at 2.33:1 and reflects the owner's personal commitment to the business. The bank's risk would be limited with collateral valued at 1.21 times the loan amount and the loan will be backed by an SBA guarantee. In addition to the above, management's industry experience and personal credit are outstanding. Considering the above information, a \$70,000 loan to Quick Mart would be a great investment.

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I. INTRODUCTION

THE INTRODUCTION SHOULD PROVIDE AN OVERVIEW OF THE BUSINESS AND IT'S OBJECTIVES. IT SHOULD BE CONCISE, PLEASANT TO READ, AND ENTICE THE READER TO READ ON...

- A. *NAME AND LOCATION OF BUSINESS*
- B. *LEGAL STRUCTURE*
(Sole proprietor, Partnership, Subchapter S or C-Corporation)
- C. *PRINCIPAL OWNERS (Full names)*
- D. *DEFINITION OF BUSINESS*
 - 1. *TYPE (Manufacturing, retail, wholesale, service - or a combination)*
 - 2. *IS THIS A NEW START, EXPANSION, OR ACQUISITION?*
- E. *HISTORY OF THE BUSINESS AND/OR INDUSTRY*
- F. *STATE WHY THIS BUSINESS SHOULD EXIST*
 - 1. *MOTIVATION OF THE ENTREPRENEUR*
 - 2. *BENEFIT TO THE COMMUNITY OR INDUSTRY*
- G. *MAJOR OBSTACLES*
- H. *MAJOR STRENGTHS*

(CASE STUDY)

I. INTRODUCTION

Quick Mart, a full service convenience store with fuel island, will be located at Highway 3 and Main Street in Fortsville, Texas. Located near the county's largest city of Boulder, Fortsville is a small, home-town community and popular hunting and winter tourist resort. Quick Mart will be owned and operated by the husband and wife team of Stanley A. and Virginia M. Smith, residents of Fortsville for the last five years. The business will be operated as a Texas Subchapter S Corporation, and will offer grocery, household, pharmaceutical, and novelty items, as well as operating a snack bar and fuel island.

Mr. Smith has been involved in convenience store operations and management for the past ten years. After analyzing the community during his residency, has decided to take an abandoned gas station and renovate it to become a full-service convenience store catering to local residents, commuters, and winter hunters and tourists. As there are no convenience stores located in the community other than Fred's Fruit Stand at the corner of 4th and Main, most residents, commuters, and winter visitors in the nearby recreational vehicle park purchase convenience items in neighboring Boulder.

Fortsville, with a population of 850, will not generate adequate customer traffic during the May to August off season. However, a highly visible, accessible location will help Quick Mart enter the market and capitalize on increased traffic during the fall and winter hunting and tourist season when, according to the Hidalgo County Chamber of Commerce, traffic increases by 175%.

During the first year of operation, owner withdrawal is limited. Liquid assets are available if the need arises for additional personal finances. (See Financial Analysis - Personal Financial Statement, pages 21-22)

II. PRODUCTS AND SERVICES

- A. *DESCRIBE THE PRODUCT OR SERVICE THE COMPANY WILL MARKET IN A TECHNICALLY ACCURATE MANNER. (Include the standard industrial classification (SIC) code for financial proposals.)*
- B. *PROVIDE A SUMMARY OF THE PRODUCT LINE OR A DESCRIPTION OF THE SERVICES OFFERED. (Include a photograph or drawing, if possible.)*
- C. *EMPHASIZE THE DIFFERENCE BETWEEN YOUR COMPETITORS AND YOUR COMPANY'S OFFERINGS.*

(CASE STUDY)

II. PRODUCTS AND SERVICES

Quick Mart will provide local residents an array of much needed products and services:

The **Grocery** section will include canned juices, fruits and vegetables, dog food, baby food, chips, and other various dry-storage goods. Cigarettes, beer, publications, and snacks will compliment the Grocery section.

The **Frozen** section will include ice cream, dairy products, and chilled wine.

Pharmaceuticals such as first aid products, diapers, non-prescription cold medicines and ointments, pantyhose, toys, and other related products will comprise the **Personal Item** section.

The **Home and Auto** section will include insecticides, cleansers, paper products, and small automotive supplies like oil, transmission fluid, fuses, and funnels.

The **Snack Bar** (popcorn, hot-dogs, deli items, and fresh produce) and **Fuel Island** will be additional customer conveniences that will truly make Quick Mart a full-service convenience store (SIC 5411).

Quick Mart will focus on carrying a wider variety of products than competitors and will offer them at competitive prices. Floor space larger than competitors, efficient storage for inventory, and creative displays will allow Quick Mart to provide items not previously offered in the local market.

III. MANUFACTURING AND/ OR OPERATIONS PLAN

THIS SECTION SHOULD DESCRIBE THE LOCATION, PHYSICAL FACILITY, SPACE REQUIREMENTS, MAJOR EQUIPMENT, LABOR FORCE, SOURCES OF SUPPLY, LAYOUT AND FLOOR PLAN THAT ARE REQUIRED TO PROVIDE YOUR PRODUCT OR SERVICE. FOR A MANUFACTURING BUSINESS, EMPHASIS SHOULD BE GIVEN TO THE PRODUCTION PROCESS, THE INVENTORY CONTROL SYSTEM, AND THE PURCHASING AND PRODUCTION CONTROL SYSTEMS.

A. LOCATION

1. DOES THE LOCATION HAVE AN IMPACT ON YOUR ABILITY TO REACH CUSTOMERS?
2. WHAT ARE THE PHYSICAL CHARACTERISTICS OF THE CURRENT OR PROPOSED LOCATION?

B. PHYSICAL FACILITY (Discuss existing status and required changes)

1. VEHICLE ACCESS FOR CUSTOMERS AND SUPPLIERS
2. INVENTORY STORAGE
3. EQUIPMENT, FIXTURES, AND FURNITURE
4. ELECTRICITY, HEAT, AIR CONDITIONING, VENTING, WASTEWATER
5. MERCHANDISE DISPLAY
6. CUSTOMER SEATING
7. PRODUCT PREPARATION SPACE
8. COMPLIANCE WITH CURRENT AND FUTURE ENVIRONMENTAL REGULATIONS AND OTHER LEGISLATION
9. CAPABILITY FOR EXPANSION

C. LABOR AND SUPPLY

1. WHAT SKILLS AND EXPERIENCE ARE REQUIRED?
2. WHAT ARE YOUR SOURCES OF SUPPLY? DO YOU DEPEND ON A SINGLE SUPPLIER? (Discuss supply alternatives, pricing, or other supplier factors that could affect your ability to manufacture your product or perform your service)

(CASE STUDY)

III. MANUFACTURING AND OPERATIONS PLAN

A. Location

Highway 3 is a four-lane road with a median divider. The corner location (Highway 3 and Main St.) allows easy access from all sides. Traffic patterns documented by Mr. Smith during a 2 week period coincide with peak and slow periods typical of convenience stores: peak times between 11 a.m. and 2 p.m. and from 4 p.m. to 8 p.m. (See Supporting Documents - Market Research)

B. Physical Facility

Quick Mart will renovate a 30 foot by 50 facility constructed of cinder block. The interior will be air conditioned and lit by energy efficient florescent lighting. Two walk-in refrigerators will be devoted to soft drinks and beer. A third refrigerator will hold dairy products. Dry storage shelving will divide the store into main aisles, with products located on both sides of the cases as well as along shelves along the walls. (See Floor Plan, page 5.) Walls will be repainted in a light color to make the store look bigger, to keep daytime lighting costs down, and to act as a neutral backdrop for a wide range of products.

New display cases will be purchased from Display Experts Corporation. An electronic cash register will be purchased to handle all sales, including gasoline. Equipment included in the sale of the building includes a checkout counter, shopping baskets, hand trucks, bottle and stock carts, a stepladder, hot dog machine, microwave, popcorn machine, drop safe, and pricing guns.

Gasoline service will be through a lease agreement with Gaso Gas Oil Company located in Boulder, Texas. Gaso will be responsible for removal of existing underground storage tanks, installation of new storage tanks and pumps, the customer gasoline use meters, and for the ongoing maintenance of all related equipment. These improvements will be in full compliance with the requirements of the Texas Water Commission.

The parking area is currently covered with caliche, while the area around the fuel island is paved. Only minor improvements are required in this area. Restrooms are outside the store in a well-lit, highly visible location. A security camera will be in place by the Grand Opening. Parking, store layout, and restrooms will be handicapped accessible. Quick Mart will comply with all requirements of the Hidalgo County Building Inspections and Code Compliance Department regulations.

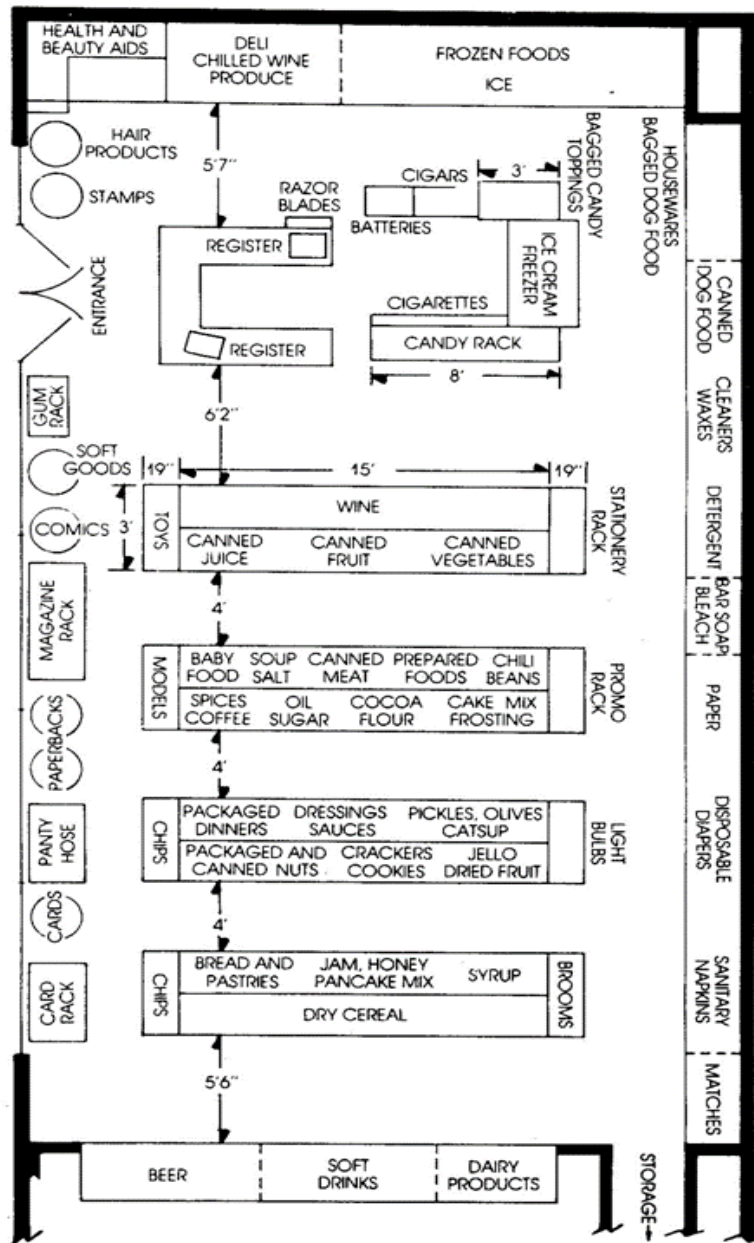
C. Availability of Labor and Sources of Supply

Quick Mart will be managed and staffed by the husband and wife team of Stanley and Virginia Smith. Mr. Smith has 10 years experience in the management and operation of a convenience store, while Mrs. Smith has several years experience in accounting support services. Mr. Smith will handle daily store operations and customer service, while Mrs. Smith will handle the cash register, maintain financial records, purchasing, and inventory. Their 2 children, ages 14 and 16, will help with stocking and daily upkeep. Part-time employees will address the demands of increased sales volume during the tourist and hunting season.

Purchases will be made from McLane Grocery Distribution and from various wholesalers in Boulder. McLane offers competitive pricing, a generous payment period, as well as a reputation for dependable delivery. Grocery Supply Company, (formerly Sweeney) offers similar pricing but does not deliver as frequently or reliably as McLane in the South Texas area.

PICTURES - are always helpful in a BP – your location – equipment – mgmt. – signage floor plans – the building etc.. Just to make it interesting!

Floorplan



IV. MARKET ANALYSIS

A. INDUSTRY TRENDS

1. **PROJECTIONS/TRENDS FOR YOUR INDUSTRY OR BUSINESS FIELD**
2. **AT WHAT STAGE OF THE PRODUCT/SERVICE LIFE CYCLE WILL YOUR BUSINESS BE ENTERING THE MARKET?**
(Introduction, growth, maturity, saturation, or decline)

B. DESCRIPTION OF TOTAL MARKET

IN ORDER TO GENERATE A CONSISTENT AND INCREASING SALES FLOW, THE ENTREPRENEUR MUST BECOME KNOWLEDGEABLE ABOUT HIS MARKET -- THE PEOPLE, BUSINESSES, OR PUBLIC INSTITUTIONS WHO MIGHT BUY THE PRODUCT OR SERVICE. ONE WAY TO DEFINE THE TOTAL MARKET IS TO USE IMPORTANT CHARACTERISTICS FROM THE CENSUS, LOCAL CHAMBERS OF COMMERCE, THE PUBLIC LIBRARY, TRADE ASSOCIATIONS, ETC.

1. **WHAT IS THE PRESENT SIZE OF THE ENTIRE MARKET?**
2. **WHAT IS YOUR MARKET'S GROWTH POTENTIAL?**
3. **DISCUSS THE ECONOMIC, SOCIAL, DEMOGRAPHIC, AND POLITICAL CHARACTERISTICS OF THIS MARKET AND THE IMPACT ON YOUR BUSINESS.**

C. TARGET MARKET

THE TARGET MARKET IS THAT SEGMENT OF THE TOTAL MARKET WHO ARE LIKELY OR POTENTIAL CUSTOMERS. A CLEAR UNDERSTANDING OF THE DEMOGRAPHICS; GEOGRAPHIC LOCATION, AGE, INCOME, EDUCATION, SEX, ETC. AND PSYCHOGRAPHICS; LIKES, DISLIKES, AND TENDENCIES THAT AFFECT PURCHASING PATTERNS CAN HELP YOU DEVELOP A STRATEGY TO REACH THE TARGET MARKET THROUGH YOUR SALES PLAN.

1. **WHAT IS THE SIZE OF YOUR TARGET MARKET?**
2. **WHAT PERCENTAGE OF THE TARGET MARKET DO YOU ANTICIPATE?**
3. **HOW WILL YOU ATTRACT AND KEEP THIS MARKET?**
4. **HOW CAN YOU EXPAND YOUR MARKET?**

IV. MARKET ANALYSIS continued

D. DOCUMENTATION OF DEMAND FOR MARKET OR SERVICE

ALTHOUGH PERSONAL EXPERIENCE IS A CERTAINLY A GOOD BASIS FOR YOUR ASSUMPTIONS, YOU MUST ALSO PROVIDE PROOF FROM A THIRD PARTY TO ADD CREDIBILITY.

1. **PUBLISHED STATISTICS**
(Industry association, trade journal, news articles)
2. **PRIMARY MARKET SURVEY**
(Data you gathered or paid for from a professional research firm)
3. **CONTRACTS, LETTERS OF COMMITMENT, LETTERS OF INTEREST**

E. ANALYSIS OF COMPETITION

1. **WHO ARE THEY?**
2. **WHERE ARE THEY LOCATED?**
3. **HOW DO THEY COMPARE TO YOUR BUSINESS?**
 - A. **SALES VOLUME**
 - B. **NUMBER OF EMPLOYEES**
 - C. **NUMBER OF LOCATIONS**
 - D. **NUMBER OF CUSTOMERS**
4. **IS THEIR BUSINESS STEADY, INCREASING, OR DECREASING?**
5. **WHAT ARE YOUR COMPETITOR'S STRENGTHS AND WEAKNESSES?**
6. **WHAT HAVE YOU LEARNED BY OBSERVING THEM?**

F. PRODUCT/SERVICE DIFFERENTIATION

1. **WHAT UNIQUE NICHE OF THE MARKET WILL THIS BUSINESS FILL?**
 - A. **HAS ANYONE ATTEMPTED TO FILL THIS NICHE?**
IF NOT, **WHY?**
 - B. **ARE THERE A PATENT, TRADEMARK, COPYRIGHT, OR TRADE SECRET THAT WILL GIVE YOU A HEAD-START ON THE COMPETITION?**
 - C. **WHERE DO YOU BELIEVE YOU HAVE A BUSINESS ADVANTAGE?** (Product, price, service, delivery time, other)

(CASE STUDY)

IV. MARKET ANALYSIS

A. Industry Trends

Convenience stores are rapidly gaining popularity as people become more work-oriented, creating less time for household purchases. According to the National Association of Convenience Stores (NACS), convenience stores generally stock 1,500 to 3,000 items, compared to 7,000 or more in supermarkets. The closest supermarket is in Boulder, 27 miles from Fortsville. Quick Mart will carry a wide line of goods and services in stores, allowing consumers to satisfy more needs quickly in one location without having to drive to Boulder. NACS estimates there are some 71,200 convenience stores, with 1000 more established each year in the suburbs and concentrated city areas. Due to the area's limited competition and rising popularity of convenience stores, Quick Mart will enter the market in a rapid growth period.

B. Description of Total Market

Fortsville is isolated from other residential areas in Hidalgo County, and during the peak hunting and tourist months of September through April, the population increases from 850 to 1,488, or 175%. Highway 3 is a major thoroughfare to Boulder and offers a significant secondary target market for Quick Mart from the travelers going to and from the city needing gas, food, or other services. Quick Mart is the only store located along the highway, giving them a large potential share of this secondary market.

Growth potential for Fortsville and Quick Mart is promising. Boulder's population has increased consistently over the past ten years and the number of businesses in the city has risen by 30% during this time period. The annual Texas Square Dancing and Polka Championship Tournament in September increases tourist activity tremendously. The 199x tournament hosted over 700 competitors. During this week of activity, over 1,000 people visited Fortsville, increasing potential for sales and visibility for potential new residents. Hunting leases, which are growing in popularity, provide a steady, recurring source of visitors in need of supplies.

Fortsville is located in one of the more economically stable areas of South Texas. It is known as a quiet community consisting of mainly middle income families. This hometown image has made Fortsville appealing to winter tourists as a temporary residence. Year-round population is approximately 60% Hispanic, 40% Anglo, and has a conservative political history. Social activities for Fortsville residents take place almost entirely in Boulder except for Wednesday Night Bingo, which brings over 50 Boulder residents to Fortsville.

C. Target Market

As Quick Mart is the only store in the area selling food, household items and gas, they anticipate reaching 80% of this primary market of year-round residents and Winter Texans. Residents of Fortsville have expressed a need for a wide-service convenience store such as Quick Mart, and the Grand Opening specials and incentives will provide sufficient attraction for first-time customers. Fast, friendly service will build customer loyalty and repeat business. Quick Mart will also offer weekly specials, homemade novelty items, and Senior Citizen discounts to maintain the market share. Quick Mart will apply to become a distributor of Texas Lottery tickets.

Quick Mart hopes to expand it's market through Boulder's increasing population. As the neighboring city grows more crowded, more people will desire residency outside city limits. Valley Developer's, Inc. purchased a 400 acre parcel of wooded land 10 miles outside of Boulder, and has recently begun offering 3 to 5 acre tracts of land for housing; creating the potential for approximately 100 new residences within the next few years. With it's nearby location and tradition of quiet family living, Fortsville is a good candidate for similar development.

Boulder was recently selected as the site for a new perfume manufacturing facility, which will initially employ 50, with projected employment of 100 by July of 199b. This new business will attract new residents and commuters who will use Highway 3 to reach Boulder, creating additional potential sales due to Quick Mart's location on this highway.

D. Documentation of demand for product or service

Current market demand has been documented through market research compiled by Mr. and Mrs. Smith. Research shows 73% of all Fortsville residents are currently purchasing "specialty" items in Boulder that will be provided by Quick Mart. Eighty-two percent (82%) of residents presently purchase everyday "necessity" items from Fred's Fruit Stand. However, 75% of those purchasing Fred's Fruit Stand expressed dissatisfaction with availability And price. Ninety three percent (93%) of the respondents indicated a need for a local convenience store in Fortsville. Sixty-five percent (65%) of Fortsville residents commute to Boulder for employment on a daily basis. The remaining 35% travel to Boulder on a errand of once every ten days, increasing the need for the ability to replenish items and purchase gasoline at a store located in Fortsville. (See Supporting Documents - Market Research)

E. Competition

Quick Mart's main competitor is Fred's Fruit Stand, located on 4th and Main Street. This business carries fresh fruit, vegetables, and a variety of canned goods. However, his inventory is very limited, as he carries selected name brands which can be purchased much cheaper from grocery stores in Boulder. He does not provide gas or snack bar services. A former employee of Fred's Fruit Stand estimates sales volume to be roughly \$90,000 a year.

Fred's Fruit Stand currently employs two part-time assistants who help during peak hours, from 4 p.m. to 6 p.m. Sales volume has been increasing during the last few years due to the addition of credit card sales. Fred's Fruit Stand only recognizable advantage is the large quantities of fresh fruits and vegetables.

Quick Mart's prime location will attract traffic from the highway, in addition to the local residents. Fred's Fruit Stand has little opportunity to attract any new customers due to his downtown location. Quick Mart plans to advertise and give sales incentives, something Fred's Fruit Stand has lacked. All items will be purchased from local wholesalers in Boulder and resold at a 35% profit. Extending store credit to local customers was considered, but after observing the trouble Fred's Fruit Stand has in collecting from residents, the idea was dismissed. The store will accept cash, local personal checks, and major credit cards.

Indirect competition is found in neighboring Boulder, with 2 full-service convenience stores, an H.E.B. Grocery, and a Super S Grocery. At a distance of 27 miles, Quick Mart hopes to capture patrons not willing to travel for convenience items. Quick Mart does not expect to substantially effect the market share of the large grocery stores.

F. Differentiation of Product and Service

Quick Mart desires to set a precedent in Fortsville as a full-service convenience store with an economical image, offering a wide range of competitively priced products and services in one location. Need expressed by residents combined with the growing popularity of convenience stores predict a favorable business climate for Quick Mart.

Mr. and Mrs. Smith hope their success will be furthered by offering several services and goods not available at any other store in Fortsville. One area of potential profitability is in novelty items Winter Texans frequently purchase as gifts for friends and relatives. They also hope to garner the pharmaceutical market, as no other stores in town sell these products. Low prices, a variety of products and services, and fast, friendly service will quickly differentiate Quick Mart from Fred's Fruit Stand. The business previously occupying the building was reasonably successful as a limited-service convenience store until the owner became ill and went out of business 4 years ago.

V. SALES STRATEGY

A. **PRICING POLICY**

1. *WHAT IS THE RELATIONSHIP BETWEEN THE PRICE YOU WILL CHARGE AND THE IMAGE OF THE BUSINESS YOU ARE TRYING TO CREATE?*
2. *HOW WILL YOU PRICE? (Mark-ups, discounts, labor/materials+profit, etc)*

B. **DISTRIBUTION**

1. *DESCRIBE THE CHANNEL OF DISTRIBUTION YOU WILL USE TO REACH YOUR TARGET MARKET.*
2. *HOW DOES THE COMPETITION GET IT'S PRODUCT TO THE MARKET?*
3. *DESCRIBE HOW THE PRODUCT WILL BE AVAILABLE WHEN AND WHERE THE CUSTOMER WANTS IT.*

V. SALES STRATEGY continued

C. PROMOTIONAL EFFORTS

MAKE SURE YOUR CASH FLOW REFLECTS MONIES BUDGETED FOR THESE ACTIVITIES AND THE IMAGE/POSITION YOU ARE ATTEMPTING TO ESTABLISH MATCH YOUR PROMOTIONAL ACTIVITIES.

1. ADVERTISING

- A. WEB PAGE
- B. SOCIAL MEDIA-FACEBOOK, TWITTER, LINKEDIN
- C. DIRECT MAIL
- D. RADIO AND TELEVISION
- E. MAGAZINES, NEWSPAPERS, AND TRADE JOURNALS
- F. OUTDOOR SIGN, POSTER
- G. TRADE SHOWS
- H. NOVELTIES (calendars, pencils, magnets, etc.)

2. PERSONAL SELLING

EVERY PROMOTIONAL EFFORT IS AN EXPENSE OF TIME OR MONEY. THE ADVERTISING TOOLS LISTED ABOVE INVOLVE SUBSTANTIAL EXPENDITURES OF MONEY. HOW CAN DOES THIS APPLY TO YOU?

- A. CUSTOMER SERVICE
- B. KNOWLEDGEABLE STAFF
- C. COMPLIMENTARY PRODUCTS/SERVICES
- D. COMMUNITY INVOLVEMENT

3. PUBLICITY or FREE ADVERTISING

- A. PRESS RELEASE (Newspapers, radio and television news stations cover stories of interest to their audience: unique offerings, interesting and special events.)

4.. SALES PROMOTIONS

- A.. TEMPORARY PROMOTIONS – samples / free product
- B. COUPONS
- C. REBATES
- D. GRAND OPENINGS

D. CUSTOMER CONVENIENCES --

WILL THE CONVENIENCES 1) INFLUENCE TOTAL SALES VOLUME 2) INCREASE SALES

- A. STORE CREDIT, MAJOR CREDIT CARDS
- B. DELIVERY
- C. FREE PARKING, EASY ACCESS
- D. TELEPHONE ORDERS
- E. HOURS OF OPERATION

(CASE STUDY)

V. SALES STRATEGY

A. Pricing Policy

As is typical for the industry, Quick Mart will have a 15% mark-up on gasoline, 35% on all staple items, 45% on taxable items, while pharmaceutical items will have a 60% markup. Weekly specials on selected items will be offered to all Quick Mart customers. Other sales incentives will be offered periodically. Senior Citizen discounts of 10% will be available on a daily basis, and during the tourist season, additional sales are planned.

B. Hours of Operation

Quick Mart will attempt to create an image of an economical store with easy accessibility and quick service. It will operate seven days a week, except on major holidays, such as Christmas and Thanksgiving. Store hours will be 6 a.m. to 9 p.m. Sunday through Thursday, and 6 a.m. to 11 p.m. Friday and Saturday.

C. Promotional Efforts

The **Advertising Plan** involves many different types of media. Quick Mart will run newspaper advertisements features weekly specials and coupons in the Boulder Area Herald. Two billboards along Highway 3 will be utilized to make northbound and southbound highway travelers aware of the products and services just ahead. Mrs. Smith, who handles marketing for the store, is working with the area Small Business Development Center on developing an advertising campaign for Quick Mart.

Personal Selling will be a major factor in building repeat business. Family members and temporary help will consistently promote the purchase of additional items or the added special touch by recognizing when such opportunities arise. Some examples are: "We have free paper oil funnels on hand. Do you need one for this quart of oil?" and "How about a fresh donut to go with that cup of hot coffee?"

The local television and radio stations will be approached to cover the Grand Opening for free **publicity**. Acceptance from the local community is hoped to be gained by involving the store in local civic and charity events.

The Grand Opening bonanza will be supported by Coca-Cola and Decker Hot Dogs, who will provide free snacks and refreshments.

D. Customer Conveniences

A wide variety of products and services available in one location is the convenience sought by area residents, commuters, hunters, and winter tourists. The average shopper, according to Entrepreneur Group's "Convenience Food Store" Business Manual, visits a convenience store two to five times a week. Competitive prices, fast service, and friendly personnel will make Quick Mart customers feel good about patronizing Quick Mart. Longer store hours than offered by the competition, highway access, ample parking, well-lit restrooms, and a security camera are other customer conveniences that will add to the success of Quick Mart.

VI. MANAGEMENT PLAN

THIS SECTION SHOULD INCLUDE THE PERSONAL HISTORY OF THE PRINCIPALS, RELATED WORK EXPERIENCE, DUTIES & RESPONSIBILITIES, SALARIES, ORG. CHART, & RESOURCES AVAILABLE TO BUSINESS.

A. PERSONAL HISTORY OF KEY PARTICIPANTS

COMPLETE THIS SECTION FOR EACH KEY PARTICIPANT IN THE BUSINESS

1. *BUSINESS BACKGROUND*
2. *MANAGEMENT EXPERIENCE*
3. *EDUCATION (Formal and informal learning experiences)*
4. *PERSONAL DATA*
 - a. *FULL NAME AND SPOUSE'S FULL NAME*
 - b. *PRESENT ADDRESS*

VI. MANAGEMENT PLAN continued

5. *RELATE PAST EXPERIENCE TO FUTURE SUCCESS POTENTIAL*
(Include letter of recommendation, if possible)

B. DUTIES AND RESPONSIBILITIES OF KEY PARTICIPANTS

1. *ORGANIZATIONAL CHART (Who are the decision makers? Is there appropriate delegation of authority and tasks?)*
2. *JOB DESCRIPTIONS*

C. COMPENSATION

1. *SALARIES, HOURLY RATES*
2. *OTHER INCENTIVES*

D. AVAILABLE RESOURCES

DO YOU HAVE THE MARKETING, MANAGEMENT, AND FINANCIAL SKILLS TO DO IT ALL YOURSELF? IF NOT, THEN SHOW RELATIONSHIPS THAT FILL THE GAPS TO CREATE A FULLY CAPABLE BUSINESS ENTERPRISE. EVEN IF YOU DO, DO YOU NETWORK WITH OTHERS IN YOUR INDUSTRY TO STAY CURRENT ON CHANGES IN THE MARKETPLACE?

1. *PROFESSIONAL (Lawyer, CPA)*
2. *INSURANCE*
3. *CONSULTANTS*
4. *ASSOCIATIONS (Chamber of commerce, Professional or Trade groups)*

(CASE STUDY)

VI. MANAGEMENT PLAN

A. Personal History of Key Participants

Name: Stanley A. Smith

Present Address: 123 Fourth Street, Fortsville, Texas 78555

Stanley Smith worked for 7-11 Convenience stores in rural Texas communities for over ten years after graduating with a B.B.A. in Business Management from the University of Houston. He began as Store Assistant Manager, was promoted to Store Manager, and spent 5 years as an Area Supervisor. In his capacity as an Area Supervisor, he supervised a team of 12 Store Managers. Before and during his studies at the University of Houston, Mr. Smith worked as a route distributor for Mrs. Bairds Bread.

(See Supporting Documents - Letter of recommendation)

Name: Virginia M. Smith

Present Address: 123 Fourth Street, Fortsville, Texas 78555

Virginia Smith worked as a sales clerk for J.C. Penney Department Store in Houston for seven years while studying Business Administration at Houston Junior College. After obtaining an Associates Degree in Bookkeeping, she was hired by Super S Grocery in Boulder, where she performed various accounting duties for 5 years.

(CASE STUDY)

VI. MANAGEMENT PLAN continued

B. Duties and Responsibilities of Key Participants

Both Mr. and Mrs. Smith will have a voice in the management of Quick Mart. Mr. Smith will handle marketing and stocking of inventory. Mrs. Smith will maintain the store's financial records and also handle purchasing and inventory. Both will work the cash register and interact with customers. Their teenage children will stock the shelves and help with the store's daily upkeep when not in school.

C. Compensation

Initially, the Smith's will draw a combined monthly salary of \$1,000. Only when the store's gross earnings have been established will they adjust their salaries upward.

D. Available resources

The Smith's will use Jones & Jones Accounting Services periodically during the year, as Mrs. Smith will maintain the store's records such that the accountant will only to compile the financial statements for income tax purposes. She will consult with him during the year regarding tax information and quarterly reports. Edward M. Harris, attorney at law, is currently on retainer and has already advised that Quick Mart organize as a Subchapter S Corporation and install a security camera.

Mrs. Smith is working with a Counselor from the Small Business Development Center in order to fine-tune the Quick Mart advertising campaign. In order to stay abreast of changes and opportunities within our industry, Quick Mart will join the local chapter of the National Association of Convenience Stores.

VII. FINANCIAL ANALYSIS OF YOUR PLAN & YOUR PROJECTIONS

A. STARTUP COSTS

-HOW MUCH WILL IT COST YOU TO OPEN YOUR DOORS?

These figures should be reflected in the pre-startup column of your cash flow statement.

Allow enough working capital for expenses during the early period.

B. SOURCE AND USE OF LOAN FUNDS

-OF THE TOTAL MONEY YOU'VE IDENTIFIED FOR STARTING THE BUSINESS, HOW MUCH ARE YOU CONTRIBUTING, AND HOW MUCH COMES FROM THE FINANCIAL INSTITUTION OR INVESTOR? WHAT ARE THE MONIES BEING SPENT ON?

C. CAPITAL EQUIPMENT LIST

-WHAT MAJOR AND MINOR EQUIPMENT WILL YOU USE IN THE BUSINESS?

D. ASSUMPTIONS

-EXPLAINS / JUSTIFIES THE CASH FLOW PROJECTION NUMBERS.

-MUST ANSWER: WHY DID YOU USE THAT NUMBER, HERE?

E. FIRST TWELVE MONTHS FINANCIAL PROJECTIONS INCLUDES:

1. PROFORMA CASH FLOW

-IS YOUR BUSINESS SEASONAL? YES OR NO?

-DO YOUR INVENTORY PURCHASES, ADVERTISING EXPENSES, PERSONNEL COSTS, AND OTHER VARIABLE COSTS REFLECT THIS SEASONALITY?

-CAN THE BUSINESS SUSTAIN ITSELF OVER SLOW SALES PERIODS?

-CAN YOU AFFORD TO REPAY THE DEBT OF A LOAN AND STILL SURVIVE?

VII. FINANCIAL ANALYSIS OF YOUR PLAN & YOUR PROJECTIONS *continued*

2. INCOME STATEMENT

SUMMARIZES PROJECTED GROSS SALES, COST OF GOODS SOLD, EXPENSES, AND PROFITS FOR THE FIRST YEAR

3. YEAR END BALANCE SHEET

SUMMARIZES PROJECTED ASSETS, LIABILITIES, AND NET WORTH

F. PERSONAL FINANCES

-HAVE YOU MADE WISE PERSONAL FINANCIAL DECISIONS?

-DO YOU HAVE RESOURCES TO CALL UPON IF BUSINESS CASH FLOW IS POOR?

-HOW WILL THE LOAN BE COLLATERALIZED?

-INCLUDE A COPY OF YOUR RECENT CREDIT REPORT

G. PERSONAL INCOME TAX RETURNS – COPIES FROM PAST 3 YEARS

REQUIRED FOR FINANCIAL PROPOSALS

VII. FINANCIAL ANALYSIS

A. START UP COSTS See supporting documents : Sales Agreement & Remodeling Estimate

DESCRIPTION	AMOUNT
Land	\$ 5,000
Building	40,000
Remodeling/Improvements	15,000
Inventory	15,000
Furniture	400
Fixtures & Equipment	9,300
Utility Deposits	1,000
Licenses and Permits	500
Outdoor Sign	1,400
Advertising	2,000
Association Fee	180
Office/Operating Supplies	220
Working Capital	10,000
TOTAL STARTUP COSTS	\$100,000

VII. FINANCIAL ANALYSIS CONTINUED

B. SOURCE AND USES FOR THE FUNDS YOU ARE NEEDING

DESCRIPTION	LOAN	OWNER INJECTION	TOTAL
LAND	\$ 5,000		\$ 5,000
BUILDING	40,000		40,000
REMODELING		\$ 15,000	15,000
INVENTORY	15,000		15,000
MAJOR CAPITAL EQUIPMENT AND FURNITURE (FF&E) <i>(see break down next page)</i>	9,700		9,700
DEPOSITS		1,000	1,000
WORKING CAPITAL		10,000	10,000
OTHER STARTUP COSTS	300	4,000	4,300
TOTAL	\$ 70,000	\$ 30,000	\$100,000

C. CAPITAL EQUIPMENT LIST (also called FF&E - Furniture Fixtures & Equipment)

See Supporting Documents - Equipment Bids

MAJOR CAPITAL EQUIP. & Furniture	MODEL	COST	CONDITION	SUPPLIER
Refrigerator - Soda	AX199	\$ 2,000	New	Acme Equipment
Refrigerator - Beer	AX199	2,000	New	Acme Equipment
Refrigerator/Freezer	BX215	2,500	Rebuilt	Acme Equipment
Dry-storage shelving	Aisle 300	\$ 1,000	New	Expert Displays
Security Camera	ZZ23456	800	New	Live Eye, Inc.
Electronic Cash Register	BL222	1,000	New	NCR
Furniture		400	Used	Thrifty Furniture
TOTAL CAPITAL EQUIPMENT		\$ 9,700		

VII. FINANCIAL ANALYSIS CONTINUED

D. CASH FLOW ANALYSIS - Most lenders require a 3 year projection

QUICK MART PROFORMA CASH FLOW ANALYSIS														
	SEASONALITY %	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTALS
Est. Sales 250k	Seasonality %	5%	7%	9%	11%	8%	3%	3%	3%	14%	12%	12%	12%	100%
MONEY IN	START UP \$													
Beginning Cash Bal.	0	10,000	9,702	10,909	13,273	17,005	19,715	19,148	18,513	17,946	23,472	27,664	31,906	219,253
Cash sales	0	7,500	10,800	13,500	16,500	12,000	4,950	4,800	4,950	21,000	18,000	18,000	18,000	150,000
Charge Card Sales	0	5,000	7,200	9,000	11,000	8,000	3,300	3,200	3,300	14,000	12,000	12,000	12,000	100,000
Cash Injection-Owner	30,000	0												0
Loan from Bank	70,000	0												0
TOTAL CASH IN	100,000	22,500	27,702	33,409	40,773	37,005	27,965	27,148	26,763	52,946	53,472	57,664	61,906	469,253
MONEY OUT														
Expenses:														
<u>Fixed</u>														
Accounting / Legal Aid		50	50	50	50	50	50	50	50	50	50	50	50	600
Advertising	2,000	110	110	110	110	30	30	30	30	110	110	110	110	1,000
Gross Wages		800	800	800	800	0	0	0	0	800	800	800	800	6,400
Insurance		125	125	125	125	125	125	125	125	125	125	125	125	1,500
Interest on bank loan		525	524	522	521	519	518	517	515	514	512	511	509	6,207
Loan Repayment		185	186	188	190	191	192	193	195	196	198	199	201	2,314
Payroll Expenses - taxes		120	120	120	120	0	0	0	0	120	120	120	120	960
Real Estate Taxes		100	100	100	100	100	100	100	100	100	100	100	100	1,200
Utilities: Elec, Gas, Internet		500	500	575	575	575	650	650	650	600	550	500	500	6,825
Telephone		60	60	60	60	60	60	60	60	60	60	60	60	720
<u>Variable</u>														
Credit Card Fees (3% of sales)		150	216	270	330	240	99	96	99	420	360	360	360	3000
Inventory Purchases	15,000	8,928	12,857	16,071	19,642	14,285	5,893	5,714	5,893	24,999	21,428	21,428	21,428	178,566
Repairs		60	60	60	60	40	40	40	40	60	60	60	60	640
Supplies		50	50	50	50	40	40	40	40	50	50	50	50	560
Misc.		35	35	35	35	35	20	20	20	20	35	35	35	360
SUBTOTAL	17,000	11,798	15,793	19,136	22,768	16,290	7,817	7,635	7,817	28,224	24,558	24,508	24,508	210,852
Owners Withdrawal		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,250	1,250	1,250	1,250	13,000
One Time Expenses														
Capital Purchases														
land, bldg., FFE, etc	71,100	0	0	0	0	0	0	0	0	0	0	0	0	0
Incorp. Cost, Legal fees	1,900	0	0	0	0	0	0	0	0	0	0	0	0	0
Total One Time Exp.	73,000	0	0	0	0	0	0	0	0	0	0	0	0	
TOTAL CASH OUT	90,000	12,798	16,793	20,136	23,768	17,290	8,817	8,635	8,817	29,474	25,808	25,758	25,758	223,852
MONEY LEFT OVER														
ENDING CASH BAL.	10,000	9,702	10,909	13,273	17,005	19,715	19,148	18,513	17,946	23,472	27,664	31,906	36,148	
Bank loan assmpts.	70k for 15 yrs @ 9%													

VII. FINANCIAL ANALYSIS

E. ASSUMPTIONS USED IN CASH FLOW PROJECTIONS

TOTAL SALES VOLUME

First year sales are conservatively projected at \$250,000. Sales are expected to increase 10% annually in years two and three as the business becomes better established. This estimate is based on Mr. Smith's personal experience and confirmed by using industry data. In Mr. Smith's extensive industry experience he has found gross revenues of South Texas convenience stores in rural communities of this size, range from \$250,000 to approximately \$500,000. Robert Morris and Associates Sales/Total Assets ratios indicate that nationally, convenience stores of this size average \$630,000 in total sales. Management believes \$250,000 is an easily attainable level of sales for the first year. The following seasonality indices will be assigned their respective months to indicate expected monthly sales and related expenses.

SEASONALITY INDEX TABLE

Year One

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Index	.50	.80	1.20	1.20	.90	.50	.50	.60	1.20	1.30	1.50	1.80	12.0

Years Two and Three

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Index	1.60	1.40	1.00	.80	.60	.50	.50	.60	1.00	1.20	1.40	1.40	12.0

CASH SALES

60% of total sales volume

CREDIT CARD SALES

40% of total sales volume

CREDIT CARD SERVICE CHARGES

3% of Credit Card Sales volume

COST OF GOODS SOLD/MARKUP

A 71.5% Cost of Goods Sold is used for these projections. This is based on an average 40% markup for Quick Mart's various product types. The percentage of Cost Of Goods Sold will vary depending on sales levels in each product category, but Mr. Smith is accustomed to seeing 71.5% as the typical average. A mark-up of 15% will be placed on gasoline sales, 35% on all staple items and 45% on taxable products, while pharmaceutical items will have a 60% markup. *A detailed cash flow projection by product category is available upon request.*

GROSS WAGES: Owners will receive a modest management salary of \$1,000 monthly through August and \$1,250 per month through the end of the first year. In year two it will increase to \$1,500 and year three to \$2,500. Two part-time employees will be hired for 20 hours each during the peak tourist season of September-April at \$5.00/hr.

PAYROLL EXPENSE: Is estimated at 15 % of Payroll.

SUPPLIES: Consists of supplies used in the business and is assumed to remain constant at \$40 each month for the off season (May-August) and \$50 per month during the peak season (September-April).

VII. FINANCIAL ANALYSIS

E. ASSUMPTIONS USED IN FINANCIAL PROJECTIONS (pg. 2)

REPAIRS AND MAINTENANCE: Estimated at \$60 during peak season and \$40 for off season. Consists of brooms, mops, and other cleaning materials and janitorial supplies. Equipment repair costs are covered by service agreements included in the purchase price.

ADVERTISING EXPENSE: Flyers, newspaper ads, and other materials will be needed at regular intervals. Estimated cost is \$110 per month during the peak season, dropping to \$30 per month during the off season. The \$2,000 startup cost includes two billboards along Highway 3.

ACCOUNTING AND LEGAL: Estimated at \$600 per year for accounting services for compilation of financial statements and income tax. Legal fees totaling \$575 for consultation have already been paid using the personal account of Mr. and Mrs. Smith.

TELEPHONE: The business phone line to be installed in the store is estimated at \$60 per month. No long distance calls are expected to be made, as calls to Boulder are still within the general call area.

UTILITIES: Includes electricity, water, and garbage pick-up and are estimated at \$500/month.

INSURANCE: The store will have liability, fire, and theft insurance. Life insurance on the owners, as required by the loan will also be paid by the store. Monthly insurance is \$125 with no down payment.

TAXES AND LICENSES: This Property Taxes estimated at \$1,200 annually and Corporate Franchise Tax of 4.5% of net profit. Both will be paid in January of each year beginning in year two.

INTEREST: Monthly interest expense is based on a \$70,000, 15 year loan at 12% interest.

BANK CHARGES: Bank service charges are estimated at \$25 per month.

DEPRECIATION: Quick Mart's building, leasehold improvements, and furniture, fixtures, & equipment will be depreciated at \$329 per month as follows:

Building & Improvements	\$55,000	330 months	=	\$167
Furniture, Fixtures, & Equipment	\$9,700	60 months	=	<u>\$162</u>
TOTAL MONTHLY DEPRECIATION				\$329

AMORTIZATION: Non-depreciable start-up costs are amortized over 5 years at \$71.67 per month.

MISCELLANEOUS: Is expected to average \$100 per month during peak season and \$50 per month during the off season.

VII. FINANCIAL ANALYSIS

F. PRO FORMA INCOME STATEMENT (also called a Profit & Loss Statement)

TOTAL GROSS SALES		\$250,000
Less Credit Card Service Charges		3,000
ADJUSTED GROSS SALES		\$247,000
Less Cost of Goods Sold		178,750
GROSS PROFIT (Adj. Gross Sales - COGS)		\$ 68,250
OPERATING EXPENSES		
Gross Wages	19,400	
Payroll Expenses	2,910	
Supplies	560	
Repairs & Maintenance	640	
Advertising and Promotion	1,000	
Accounting and Legal	600	
Telephone	720	
Utilities	6,825	
Insurance	1,500	
Taxes & Licenses	1,200	
Bank Charges	300	
Other Expenses:		
Depreciation	3,948	
Amortization	864	
Miscellaneous	360	
TOTAL OPERATING EXPENSES		\$ 40,827
OPERATING PROFIT (Gross Profit – Operating Expns)		\$ 27,423
INTEREST Paid on loan, (a separate “Expense”)		(8,304)
PROFIT BEFORE TAXES		\$ 19,119
INCOME TAXES		(2,868)
NET PROFIT AFTER TAXES		\$ 16,251

VII. FINANCIAL SECTION
G. PRO FORMA BALANCE SHEET

<u>ASSETS</u>			<u>LIABILITIES</u>		
CURRENT ASSETS			CURRENT LIABILITIES		
Cash in bank	10,000		Current maturities of long-term debt	1,777	
Deposits	1,000				
Inventory	15,000				
TOTAL CURRENT ASSETS		\$ 26,000			
FIXED ASSETS			LONG-TERM LIABILITIES		
Land	5,000		Note payable to Valley Bank	68,223	
Building	55,000				
FF&E	9,700		TOTAL LIABILITIES		\$ 70,000
TOTAL FIXED ASSETS		\$ 69,700			
OTHER ASSETS					
Start-up Costs	4,300				
TOTAL OTHER ASSETS		\$ 4,300			
			<u>NET WORTH</u>		\$ 30,000
			(100,000 - 70,000)		
TOTAL ASSETS		\$100,000	TOTAL LIABILITIES AND NET WORTH		\$100,000
			(70,000 + 30,000)		

VII. FINANCIAL ANALYSIS

H. PERSONAL FINANCIAL STATEMENT – SBA FORM 413

PERSONAL FINANCIAL STATEMENT

U.S. SMALL BUSINESS ADMINISTRATION

As of _____

Complete this form for: (1) each proprietor, or (2) each limited partner who owns 20% or more interest and each general partner, or (3) each stockholder owning 20% or more of voting stock and each corporate officer and director, or (4) any other person or entity providing a guaranty on the loan.

Name _____ Business Phone () _____

Residence Address _____ Residence Phone () _____

City, State, & Zip Code _____

Business Name of Applicant/Borrower _____

ASSETS		(Omit	LIABILITIES		(Omit
Cash on hands & in Banks			Accounts Payable		
Savings Accounts			Notes Payable to Banks and Others		
IRA or Other Retirement Account			Installment Account (Auto) Monthly		
Accounts & Notes Receivable			Installment Account (Other) Monthly		
Life Insurance--Cash Value Only (Complete			Loans on Life Insurance		
Stocks & Bonds (Describe in Section 3)			Mortgages on Real Estate (Describe in		
Real Estate (Describe in Section 4)			Unpaid Taxes (Describe in Section 6)		
Automobile(s)--Present Value			Other Liabilities (Describe in Section		
Other Personal Property (Describe in			Total Liabilities		
Other Assets (Describe in Section 5)			Net Worth		
Total			Total		

Section 1. Sources of Income		Contingent Liabilities	
Salary		As Endorser or Co-Maker	
Net Investment Income		Legal Claims & Judgments	
Real Estate Income		Provision for Federal Income Tax	
Other Income (Describe Below)*		Other Special Debt	

Description of Other Income in Section 1.

* Alimony or child support payments need not be disclosed in "Other Income" unless it is desired to have such

Section 2. Notes Payable to Bank and Others (Use attachments if necessary. Each attachment must be identified as a part of this statement and signed.)

Name & Address of Noteholder(s)	Original Balance	Current Balance	Payment Amount	Frequency (monthly, etc.)	How Secured or Endorsed Type of Collateral

PERSONAL FINANCIAL STATEMENT

Number of Shares	Name of Securities	Cost	Market Value Quotation/Exchange	Date of Quotation/Exchange	Total Value

Section 4. Real Estate Owned.

	Property A	Property B	Property C
Type of Property			
Name & Address of Title Holder			
Date Purchased			
Original Cost			
Present Market Value			
Name & Address of Mortgage Holder			
Mortgage Balance			
Amount of Payment per Month/Year			
Status of Mortgage			

Section 5. Other Personal Property and Other Assets.

Section 6. Unpaid Taxes.

Section 7. Other Liabilities.

Section 8. Life Insurance Held. (Face amount, cash surrender value, insurance company, and beneficiary)

I authorize SBA/Lender to make inquiries as necessary to verify the accuracy of the statements made and to determine my creditworthiness. I certify the above and the statements contained in the attachments are true and accurate as of the stated date(s). These statements are made for the purpose of either obtaining a loan or guaranteeing a loan. I understand FALSE statements may result in forfeiture of benefits and possible prosecution by the U.S. Attorney General (Reference 18 U.S.C. 1001).

Signature:	Date:	Social Security Number:
Signature:	Date:	Social Security Number:

PLEASE NOTE: The estimated average burden hours for the completion of this form is 1.5 hours per response. If you have questions or comments concerning this estimate or any other aspect of this information, please contact Chief, Administrative Branch, U.S. Small Business Administration, Washington, D.C.

