



## Business Plan Template

Many templates for business plans exist, but the basics stay the same. This template for the Y.E.S. for Arkansas Business Plan Competition should provide the student entrepreneur with a good starting point. It is highly recommended that the entrepreneur, when writing the business plan, add their own twist to illustrate the uniqueness of their product/service.

### Competition Timeline

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September 28 (Friday):	Intent-to-Compete forms due at 5:00pm
October 22 (Monday):	Business plans due via e-mail at 5:00pm
November 8 (Thursday):	Judging of all written plans
November 9 (Friday):	Notification of 25 Finalist at 4:00pm (Via e-mail to all finalists and online at <a href="http://www.yesforarkansas.com">www.yesforarkansas.com</a> )
November 17 (Friday):	Loan Application Due at 5:00pm (optional)
November 28 (Wednesday):	Marketing Piece Due
December 5 (Wednesday):	Marketing Piece judging. Turn in "field trip" forms if required by your school.
January 18 (Friday):	Retail Booth Judging & Expo Event. Winners will be announced.

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E-mail: [yes\\_aeaf@arcapital.com](mailto:yes_aeaf@arcapital.com)

Fax: 501.374.9425 (ATTN: Piper Knutson)

For more info: Official rules can be found at

[www.yesforarkansas.com](http://www.yesforarkansas.com)




On the following pages, you will find an outline to writing a business plan. No one ever knows all the answers when they start writing a business plan. You may need to make some phone calls, take a neighborhood survey, or go to the library. You can also learn from the experience of other business owners or your parents.

The general layout of the plan should include five sections:

- Section 1: Title Page
- Section 2: Company Overview
- Section 3: Product/Service (discuss Innovation here)
- Section 4: Marketing Plan
- Section 5: Financials

A template for the Title Page is shown below:



**< INSERT LOGO and/or  
COMPANY NAME HERE >**

YES for Arkansas  
Youth Entrepreneur Summer

**Business Plan**  
<Today's Date Here>

This document contains  
confidential and proprietary information  
that belongs exclusively to  
**<Company Name>**.

Student Name 1, Name 2, Name 3  
Address, City, AR 12345  
[OneContactEmail@Only.com](mailto:OneContactEmail@Only.com)  
Student Telephone

Teacher Advisor  
School Address, City, AR 12345  
[TeachersEmail@School.com](mailto:TeachersEmail@School.com)  
Teacher Telephone



Y.E.S. Guidelines for the **Business Plan Format** (5 points):

The business plan will include the cover page and the business plan. The business plan is limited to 5-pages of typed text, with a 12-point font. The cover page is not counted in the total number of pages. The cover page must include the: (1) teacher advisor's name, (2) student names, (3) contact information (including e-mail, telephone, address, school name, and the name of the company).

Y.E.S. Guidelines for the **Company Overview** (5 points):

Includes a mission (what you want to do), company history, goals, objectives (where do you want your business to be three months from today), and the backgrounds and roles of the management team

**A template for the Company Overview is shown below:**

< Your Logo >

1. Company Overview

**Mission**  
Write what you want your company to do (i.e. the business' purpose for existence) here.

**Company History**  
If your company has a history, describe it here.

**Goals**  
Discuss where you want your company to be in the future. Goals are general directions that are not specific enough to be measured. Think of goals as the treasure at the top of a stairway, and the objectives as the stairs.

**Objectives**  
Discuss where you want the company to be one month from now? Objectives are more measurable, meaning you can look back and say: 'Did I achieve this?'

Example: Our objective is to deliver **this** result by **this** date.

**Management Team**  
Describe the background and past successes & achievements of each team member. Explain why this is the right team to make your Company work.

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Y.E.S. Guidelines for the **Product/Service Description** (5 points):

Describes the product, its features and benefits, and explains why the product is better than that of the competitors.

Y.E.S. Guidelines for **Innovation** (5 points):

Definition: turning ideas into new products or services for a business

A template for **Product/Service Description & Innovation** is shown below:

< Your Logo >

## 2. Product/Service

**Product**  
Describe your company's product or service.

**Features & Benefits**  
Describe the features and benefits of your product or service.

**Competitive Advantage**  
Compared to your other competitors, why would a customer like your product/service better?

**Innovation**  
Discuss how your product is innovative. Innovation is defined as "turning ideas into new products or services for a business." Examples of innovation include: Clorox's Toilet Wand, Apple's iPod, and 3M's Post-it Notes. Discuss how your product is innovative.

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Y.E.S. Guidelines for the **Marketing Plan** (5 points):

Defines who your target market is, the price of the product, where the product will be sold, and how the product will be promoted.

A template for the **Marketing Plan** is shown below:

< Your Logo >

## 3. Marketing Plan

**Target Market**  
Describe your typical customer. What is their age range? Are they male and/or female? Anything else you can say about your typical customer? How many of these customers do you think will buy your product?

**Competitors**  
Who sells a similar product? Why do you think you can compete successfully against them? How is your product different from what your competitors have to offer (i.e. what is your competitive advantage)?

**Price**  
How much does your product cost? How does this compare to what your competitors are charging? Talk about why your product/service is worth that price.

**Place**  
Where and how can your product be purchased?

**Promotion**  
How are you going to advertise your product? How are you going to sell your product?

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Y.E.S. Guidelines for the **Financials** (5 points):

Includes: (1) a statement of what funds you will need and (2) an income statement.

A template for the **Financials** is shown below:

< Your Logo >

## 4. Financials

Statement of Funds Needed

Example: The management of Jane's Lemonade Stand invested \$20 to start the business. In order to better market the business, Jane's Lemonade Stand is requesting a loan of \$20.

Example:

Jane's Lemonade Stand  
Income Statement for Month 1

<b>REVENUE:</b>	
Total Sales	\$ 384
<b>Net Sales</b>	<b>\$ 384</b>
<b>Cost of Goods Sold:</b>	
Supplies	\$ 15
Worker Pay	\$ 288
<b>Total Cost of Goods Sold</b>	<b>\$ 303</b>
<b>Gross Profit (or Loss):</b>	<b>\$ 81</b>
<b>EXPENSES:</b>	
Equipment	\$ 0
Rent	\$ 0
Marketing	\$ 20
Office Supplies	\$ 5
<b>Total Operating Expenses</b>	<b>\$ 25</b>
<b>NET PROFIT (or LOSS):</b>	
	<b>\$ 56</b>

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An explanation of the financials for Jane's Lemonade Stand is available on the next page. A blank template is also included so you can use this for your business. If you have any questions or want to check your business plan numbers, you should ask your teacher advisor.



## Income Statement Example for Jane's Lemonade Stand:

- **Example** – During Jane's summer break, Jane decides to make money by operating a lemonade stand. In order to start her business, Jane has to buy the following items:

- 1 canister of *Country Time Lemonade* mix (**Cost: \$5**)
- 1 large 175-pack bag of tall Styrofoam cups (**Cost: \$10**)
- 1 sign and some markers used to make the sign (**Cost: \$5**)
- Marketing Materials (**Cost: \$20**)
- The water, ice, table, and chair come from the Jane's parent's home. Her parent's already have these items so she does not have pay anything for these. (**Cost: free**)

Assume that Jane works 3 hours a day, 4 days a week. Every day, she sells an average of 12 cups of lemonade. She charges every customer \$2 for one cup.

**What is Jane's Net Income (or Loss)\*?**

\*Note: This does not include the loan repayment.

**Try to figure it out using the *Income Statement Template* below.** The steps taken to calculate Jane's *Net Income (or Loss)* are shown.

**Step 1:** Fill-in-the-blank for each of the following:

Sale Price of each Unit	(1)	_____
# of <u>units</u> you can sell every day	(2)	_____
# of <u>hours</u> you work every day	(3)	_____
# of <u>days</u> you work per week	(4)	_____

Costs for the following:

Supplies used to make the Product/Service	(5)	\$ _____
Other stuff used to directly make Product	(6)	\$ _____
Equipment	(7)	\$ _____
Rent	(8)	\$ _____
Marketing	(9)	\$ _____
Office Supplies	(10)	\$ _____
Other Stuff: _____	(11)	\$ _____

Money your team is investing	(12)	\$ _____
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**Step 2:** Calculate Start-Up Costs for Jane's Lemonade Stand. This is the section where you list everything (including cost) that you will need to start your business (aka: your start-up costs).

Supplies used to make the Product/Service	\$ _____	+	← insert (5) from above
Other stuff used to directly make Product/Service	\$ _____	+	← insert (6)
Equipment	\$ _____	+	← insert (7)
Rent	\$ _____	+	← insert (8)
Marketing	\$ _____	+	← insert (9)
Office Supplies:	\$ _____	+	← insert (10)
Other Stuff: _____	\$ _____	=	← insert (11)

**Total Amount You Need to Start the Business (13)** \$ \_\_\_\_\_  
(Add all the start-up costs above)



**Step 3:** Calculate how much money you need to borrow, or ask for.

Total Amount you need to Start the Business           \$ \_\_\_\_\_ -   ← insert (13)  
 Money your team is investing                               \$ \_\_\_\_\_ =   ← insert (12)

**Amount You Need to Borrow/Ask for**                   (14) \$ \_\_\_\_\_  
 Total Needed (13) – Invested(12) = Amount You Need to Borrow/Ask for (14)

**Step 4:** Determine what time period your income statement covers. For Y.E.S., let's assume that the **time period covered is 1 month**.

**Step 5:** Calculate (a) how many units (or items) of the product/service do you sell per month AND (b) your sales, or how much money you make every month.

**UNITS SOLD EVERY MONTH**

# of units you can sell every day                               \_\_\_\_\_ x   ← insert (2)  
 # of days you work every week                               \_\_\_\_\_ x   ← insert (4)  
 # of weeks in a month   x 4 wks =

**Total Units sold every month**                               (15) \_\_\_\_\_  
 (2) x (4) x 4 wks = Total Units sold every month (15)

**SALES**

Total Units sold every month                               \_\_\_\_\_ x   ← insert (15)  
 Sale Price of each Unit   \$ \_\_\_\_\_ =   ← insert (1)

**Total Sales**   (16) \$ \_\_\_\_\_  
 (15) x (1) = Total Sales (16)

*If you only sell 1 product, then this is the Total Sales f or your company.*

**For more than 2 Products**

If you have 2 or more products, use the above formula to calculate the Total Sales for each product and then add them all together.

**Total Sales (for ALL Products) =**  
 Total Sales (Product 1) + Total Sales (Product 2) + Total Sales (Product 3) + ....

**Step 6:** Calculate how much it costs to pay for 1 person to work, or worker pay.

# of hours you work every day                               \_\_\_\_\_ x   ← insert (3)  
 # of days you work every week                               \_\_\_\_\_ x   ← insert (4)  
 # of weeks per month   x 4 wks x  
 Worker pay per hour   x \$6 x  
 Total # of Workers   x 1 =

**Total Worker Pay per month**                               (17) \_\_\_\_\_  
 (3) x (4) x 4 wks x \$6 = Total Worker pay per month (17)

**Step 7:** Calculate the direct Cost of Goods Sold, or the cost for you to produce ALL of your products/services.

Supplies used to make the Product/Service           \$ \_\_\_\_\_ +   ← insert (5)  
 Total Worker Pay per month                               \$ \_\_\_\_\_ +   ← insert (17)  
 Other stuff used to directly make Product/Service \$ \_\_\_\_\_ =   ← insert (6)

**Total Cost of Goods Sold**                                       (18) \$ \_\_\_\_\_  
 (Add all the costs above)

**Step 8:** Calculate your Gross Profit (or Loss).

Total Sales (for ALL Products)                           \$ \_\_\_\_\_ -   ← insert (16)  
 Total Cost of Goods Sold                                   \$ \_\_\_\_\_ =   ← insert (18)

**Gross Profit (or Loss)**                                       (19) \$ \_\_\_\_\_  
 (16) - (18) = Gross Profit (or Loss) (19)



**Step 9:** Calculate your Operating Expenses.

Equipment	\$ _____	+	← insert (7)
Rent	\$ _____	+	← insert (8)
Marketing	\$ _____	+	← insert (9)
Office Supplies	\$ _____	+	← insert (10)
Other Stuff: _____	\$ _____	=	← insert (11)

**Total Operating Expenses** (20) \$ \_\_\_\_\_  
 (Add all the Operating Expenses above)

**Step 10:** Calculate your Net Profit (or Loss).

Gross Profit (or Loss)	\$ _____	-	← insert (19)
Total Operating Expenses	\$ _____	=	← insert (20)

**Net Profit (or Loss)** (21) \$ \_\_\_\_\_  
 Gross Profit (19) – Total Operating Expenses (20) = Net Profit (or Loss) (21)

**Step 11:** Plug the numbers into the Income Statement Template below:

**REVENUE:**

Total Sales (for Product 1)	\$ _____	← insert (16)
Total Sales (for Product 2)	\$ _____	← insert (if any)
<b>Total Sales (for ALL Products)</b>	\$ _____	(add up all Sales)

**Cost of Goods Sold:**

Supplies (Direct)	\$ _____	← insert (5)
Worker Pay	\$ _____	← insert (17)
Other stuff used to directly make Product/Service <define>	\$ _____	← insert (6)
<b>Total Cost of Goods Sold</b>	\$ _____	← insert (18)

**Gross Profit (or Loss):** \$ \_\_\_\_\_ ← insert (19)

**EXPENSES:**

Equipment	\$ _____	← insert (7)
Rent	\$ _____	← insert (8)
Marketing	\$ _____	← insert (9)
Office Supplies	\$ _____	← insert (10)
Other Stuff <define>	\$ _____	← insert (11)
<b>Total Operating Expenses</b>	\$ _____	← insert (20)

**NET PROFIT (or LOSS):** \$ \_\_\_\_\_ ← insert (21)



**- The Answers -**

**Answer to Question:** What is Jane's *Net Income (or Loss)*?

- ❖ **If she hires someone to work** at the lemonade stand, Jane will only make a net income of \$56.
- ❖ **If she works there by herself**, she will make a net income of \$56 and be paid \$288 for her labor.

**- How to Get the Answers -**

**Step 1:** Fill-in-the-blank for each of the following:

Sale Price of each Unit	(1)	<u>2</u>
# of <u>units</u> you can sell every day	(2)	<u>12</u>
# of <u>hours</u> you work every day	(3)	<u>3</u>
# of <u>days</u> you work per week	(4)	<u>4</u>

Costs for the following:

Supplies used to make the Product/Service	(5)	<u>15</u>
Other stuff used to directly make Product	(6)	<u>0</u>
Equipment	(7)	<u>0</u>
Rent	(8)	<u>0</u>
Marketing	(9)	<u>20</u>
Office Supplies	(10)	<u>5</u>
Other Stuff: _____	(11)	<u>0</u>

Money your team is investing	(12)	<u>20</u>
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**Step 2:** Calculate Start-Up Costs for Jane's Lemonade Stand. This is the section where you list everything (including cost) that you will need to start your business (aka: your start-up costs).

Supplies used to make the Product/Service	\$ <u>15</u>	+	← insert (5) from above
Other stuff used to directly make Product/Service	\$ <u>0</u>	+	← insert (6)
Equipment	\$ <u>0</u>	+	← insert (7)
Rent	\$ <u>0</u>	+	← insert (8)
Marketing	\$ <u>20</u>	+	← insert (9)
Office Supplies:	\$ <u>5</u>	+	← insert (10)
Other Stuff: _____	\$ <u>0</u>	=	← insert (11)

**Total Amount You Need to Start the Business** (13) \$ 40  
(Add all the start-up costs above)

**Step 3:** Calculate how much money you need to borrow, or ask for.

Total Amount you need to Start the Business (Insert (1) from above)	\$ <u>40</u>	-	← insert (13)
Money your team is investing	\$ <u>20</u>	=	← insert (12)

**Amount You Need to Borrow/Ask for** (14) \$ 20  
(13) - (12) = Amount You Need to Borrow/Ask for (14)

**Step 4:** Determine what time period your income statement covers. For Y.E.S., let's assume that the **time period covered is 1 month**.



**Step 5:** Calculate (a) how many units (or items) of the product/service do you sell per month AND (b) your sales, or how much money you make every month.

**UNITS SOLD EVERY MONTH**

# of units you can sell every day	12	x		← insert (2)
# of <u>days</u> you work every week	4	x		← insert (4)
# of weeks in a month	x 4 wks	=		

**Total Units sold every month** (15) 192  
 (2) x (4) x 4 wks = Total Units sold every month (15)

**SALES**

Total Units sold every month	192	x		← insert (15)
Sale Price of each Unit	\$ 2	=		← insert (1)

**Total Sales** (16) \$ 384  
 (15) x (1) = Total Sales (16)

If you only sell 1 product, then this is the Total Sales f or your company.

**For more than 2 Products**

If you have 2 or more products, use the above formula to calculate the Total Sales for each product and then add them all together.

**Total Sales (for ALL Products) =**  
 Total Sales (Product 1) + Total Sales (Product 2) + Total Sales (Product 3) + ....

**Step 6:** Calculate how much it costs to pay for 1 person to work, or worker pay.

# of <u>hours</u> you work every day	3	x		← insert (3)
# of <u>days</u> you work every week	4	x		← insert (4)
# of weeks per month	x 4 wks	x		
Worker pay per hour	x \$6	x		
Total # of Workers	x 1	=		

**Total Worker Pay per month** (17) 288  
 (3) x (4) x 4 wks x \$6 = Total Worker pay per month (17)

**Step 7:** Calculate the direct Cost of Goods Sold, or the cost for you to produce ALL of your products/services.

Add all up all of the direct costs<sup>1</sup> required to make the lemonade. \$5+\$288+\$10=\$303. The cost for the sign and markers is not included as a raw material since it is not directly used to make the lemonade. The sign and marker cost will be added in later as a supply under operating expense.

Supplies used to make the Product/Service	\$ 15	+		← insert (5)
Total Worker Pay per month	\$ 288	+		← insert (17)
Other stuff used to directly make Product/Service	\$ 0	=		← insert (6)

**Total Cost of Goods Sold** (18) \$ 303  
 (Add all the costs above)

<sup>1</sup> Direct costs are costs that are directly involved in the making of the product or service. Fliers, advertisements, and other fees are not included in a *direct cost* under the *Cost of Good Sold*. Marketing fees and et cetera should be included as part of the operating expense.



**Step 8:** Calculate your Gross Profit (or Loss).

Total Sales (for ALL Products)	\$	<u>384</u>	-	← insert (16)
Total Cost of Goods Sold	\$	<u>303</u>	=	← insert (18)

<b>Gross Profit (or Loss)</b>	(19) \$	<u>81</u>	
(16) - (18) = Gross Profit (or Loss) (19)			

**Step 9:** Calculate your Operating Expenses.

The total cost for marketing materials is \$20. The total cost for office supplies is \$5, which was used to make buy the markers and to make the posters.

Also, Jane's business is located in front of her parent's house. At this time, they are not charging her rent and there are no other operating fees that her business has to pay.

Equipment	\$	<u>0</u>	+	← insert (7)
Rent	\$	<u>0</u>	+	← insert (8)
Marketing	\$	<u>20</u>	+	← insert (9)
Office Supplies	\$	<u>5</u>	+	← insert (10)
Other Stuff: _____	\$	<u>0</u>	=	← insert (11)

<b>Total Operating Expenses</b>	(20) \$	<u>25</u>	
(Add all the Operating Expenses above)			

**Step 10:** Calculate your Net Profit (or Loss).

Gross Profit (or Loss)	\$	<u>81</u>	-	← insert (19)
Total Operating Expenses	\$	<u>25</u>	=	← insert (20)

<b>Net Profit (or Loss)</b>	(21) \$	<u>56</u>	
Gross Profit (19) – Total Operating Expenses (20) = Net Profit (or Loss) (21)			

**Step 11:** Plug the numbers into the Income Statement Template below:

**REVENUE:**

Total Sales (for Product 1)	\$	384	← insert (16)
Total Sales (for Product 2)	\$	<u>0</u>	← insert (if any)
<b>Total Sales (for ALL Products)</b>	\$	384	(add up all Sales)

**Cost of Goods Sold:**

Supplies (Direct)	\$	15	← insert (5)
Worker Pay	\$	288	← insert (17)
Other stuff used to directly make Product/Service <define>	\$	<u>0</u>	← insert (6)
<b>Total Cost of Goods Sold</b>	\$	303	← insert (18)

<b>Gross Profit (or Loss):</b>	<b>\$</b>	<b>81</b>	← insert (19)
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**EXPENSES:**

Equipment	\$	0	← insert (7)
Rent	\$	0	← insert (8)
Marketing	\$	20	← insert (9)
Office Supplies	\$	5	← insert (10)
Other Stuff <define>	\$	<u>0</u>	← insert (11)
<b>Total Operating Expenses</b>	<b>\$</b>	<b>25</b>	← insert (20)

<b>NET PROFIT (or LOSS):</b>	<b>\$</b>	<b>56</b>	← insert (21)
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