

Nyack College
Master of Business Administration

CAPSTONE PROJECT TEMPLATE

Capstone Project Template Overview

This document serves as a template that can be used by Nyack College students to help formulate their Capstone project for the MBA program. The primary purpose of this template is to help students develop a quality and consistent capstone project.

Students should follow the instructions included in each section of the template. Two cover pages are included. The purpose of the first cover page is to provide the adviser and MBA office with sufficient information to get in contact with the student outside of class time. The second cover page is the formal Nyack College MBA program cover page. Unless otherwise directed, both cover pages should be included. This overview page should be removed.

The document is prepared using the American Psychological Association (APA) 6th edition style. If students identify elements that are not in APA style they should make any necessary adjustments.

In order to electronically sign this document, the student must double click on the signature line space and will be prompted to provide (create) a digital signature that should be inserted into that line. If you are unsure how to properly affix an electronic signature, use the Microsoft help capability for creating digital signatures.

Nyack College
Master of Business Administration

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Submission Date: *Month, Day, Year*

Capstone Project Title:

TITLE OF YOUR CAPSTONE PROJECT

CERTIFICATE OF AUTHORSHIP:

I certify that I am the author of this paper and that any assistance I receive in its preparation is fully acknowledged and disclosed in this paper. I have also cited any sources from which I used data, ideas, or works, either quoted directly or paraphrased. I also certify that this paper was prepared by me specifically for this course.

Student's E-Signature:

X

Adviser's Comments:

<Business Plan OR Organizational Change Initiative Title>

<Your Name>

A Capstone Research Project

Submitted in partial fulfillment of

the requirements for the degree

Master in Business Administration

School of Business and Leadership

Nyack College

<Date>

Capstone Project Committee:

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Executive Summary

The executive summary in the business plan is always the first section after the table of contents and title page. It is a brief, yet comprehensive, summary of the overall business plan. Typically the executive summary will be one to two pages in length and will include such items as a summary description of the concept and business; opportunity and strategy; target market and projections; competitive advantages; team; and funding requirements (Timmons & Spinelli, 2012). As with all types of research, this initial section should set the stage for the subsequent detailed sections of the full study (business plan).

Although there are many forms and iterations for presenting business plans, the Capstone project business plan will be presented in the model format presented by Timmons & Spinelli (2012, p. 256-266). This primer is based on that model and is intended to provide an outline overview of the various sections required. Specific details for each of these sections are further defined in that text. The ability to perform the required research, analytics, and evaluation are presented throughout the master's journey in the various core and concentration course offerings. Additionally, three seminars are conducted to assist in the development of the Capstone project proposal, as well as the project itself. Fundamental research methods are presented in a separate course offering which will also assist in the development of the proposal and ultimate project.

Mission, Vision, Core Values

This should be a very brief statement of the proposed organization's mission statement, as well as a discussion on the vision for the venture. Finally, a description of attendant core values and why they apply for this venture should be provided. This section should also include a brief discussion on the code of ethics that this venture will adopt and operate within.

Mission:

Our mission is to introduce originality and cultivate personality to wardrobes through our wide range of clothes for male, female, young adults.

Vision:

The vision of OORE is to establish a clothing line that will lead the movement of creating innovative apparel for unique individuals not only in the United States, but also in other parts of the world.

The core values are the acronym of our business:

Originality- We look to be pioneers in designing and producing industry changing apparel

Openness - Remaining sensitive to new and creative ideas from employees and customers

Relational- Fostering and cultivating strong relationships with partners, distributors, employees, customers. etc. is essential to our expansion.

Efficiency- Focus on effectively impacting the lives of everyone that connects with OORE

Couture.

Industry and Proposed Company

Many business plans will provide a reasonably detailed review of the industry, proposed company, as well as the products and services in this section. It is recommended that this section for the proposed Capstone project be comprised of the industry and proposed company, while utilizing the next major section to describe and discuss the products and services. Also note that this section begins on its own page, similar to a new chapter in a research proposal, thesis, etc. Given that it is a business plan, this major section will probably be segmented into several subsections including, but not necessarily limited to, an initial discussion on the industry, followed by a discussion on the proposed company and concept that the company is based upon. Each of these new sub-sections will be secondary section titles that must be left justified and capital sensitive for major words.

The fashion industry is a creation of the modern age. So, it is not baffling that fashion style and trends rapidly change at a regular basis and in most cases, companies go back to the past to reintroduce old fashion. Which today most clothing moguls are found guilty? They are not bothered by their lack of innovation but are concerned with the vast profits off of low-quality fast fashion apparel.

The bottom line is that successful clothing labels have a thorough grasp of the market and they know how to meet the needs of the consumers, as well as cajole them to accept what they have to offer because they are always flexible and creative

No doubt, a retailer or wholesale distributor can order for diverse sizes of clothes from anywhere in the world, and sell in his or her country without even visiting the production factory. As a matter of fact, clothing line-based business is one business that has the capacity to survive regardless of what is happening in the economy of the world. With that kept in mind OORE understand the impact it can have on the clothing industry due to its eclectic styles.

Products and/or Services

This section provides an opportunity to provide a detailed description of the products, services, or both that will be offered by the company. Some things to consider that will benefit the overall business plan as it relates to this section include (but is not necessarily limited to): the application of the product and/or service; how it will be delivered to the consumer; unique features that will differentiate it in the market; potential obstacles; current state of development; and potential growth opportunities for expansion of the product and/or service. Additionally, this section should introduce such aspects as key variables in the marketing plan (i.e. innovation, timing, pricing, distribution, advertising, promotion, etc.); these will be further analyzed and described in greater detail later in the business plan.

OORE apparel was established with the aim of producing quality and highly fashionable clothes for men, women, and young adults. We recognize that quality is an essential factor that will help us sell our brand which is why we have but in place a competent quality assurance team that will ensure that all our clothes meet and even surpass our customers' expectations.

We will work hard to ensure that our clothing is not just accepted nationally in the united states of America, but all around the world. Here is a list of our products;

Men's Casual Shirts

Men's Blazers

Men's Jeans

Men's shoes

Men's accessories

Women's casual shirts

Women's pants

Women's

Unisex accessories

OORE has acknowledged that apparel magnates such as H&M, Zara, Fashion Nova Etc., have the financial resources and manpower to affect the textile industry; however, they lack the creativity to create innovative styles and iconic trends within their product line. We are looking to establish brand differentiation with unique styles of our products. The focus is to educate customers about the value and benefits of using our product, creating awareness of brand, and getting them to invest in a dynamic clothing company. We purposely want to project that we are offering better or more desirable apparel than existing competitors. As we introduce our apparel to the market the focus is to use penetration pricing. Setting an initial low price will encourage many customers to try our products. We expect to sell a high volume of goods to generate substantial revenue. We want customers and investors to believe that OORE holds the baton of futuristic fashion and are looking to pass the baton to those who do business with us today. But prior to the gun going off to start the race, we must

ensure that the life cycle of products is being managed effectively for the customer to indeed receive value from it.

The introduction of our product will require a lot of capital to enter the market on a large scale, so we attend the use the following methods in promoting ourselves- Facebook, Instagram, Pinterest, etc., as well as sales representatives to distribute our product.

Market Analysis

This section of the business plan provides the reader with information that explains and supports the assertions about the entrepreneurial venture related to target market, ability to capture the projected share of market, as well as ability to handle competition. Specific areas that require discussion include target customers; geographic targets; specific ability to reach and appeal to the targeted customers; potential initial sales projections; etc. Therefore, this section is typically broken up into several subsections that may include customers, market size and trends, competition and competitive strategies, forecasted market share and sales, and ongoing market evaluation.

Market Size and Trends

The market size and trend subsection typically provides a five-year forecast including estimated market share over time, market segmentation, units, dollars and profitability. A subsection on competition and competitive strategies will provide an evaluative discussion on the strengths and weaknesses of the competitors; comparative analysis of potential substitutable products or services; fundamental value proposition of the product or service; as well as analysis of the competition to combat the newly introduced product or service. Following the competitive discussion should be an analytic presentation on forecasted market share and sales that may include fundamental value add of the product or service; major potential customers who may have already (or are willing) to procure the product or service; and relationship of projected to growth to industry or market growth. Typically, the market analysis section of a business plan concludes with an examination and evaluation of how the product or service will continue to evolve in the market. Specific consideration should address product or service programs, expansion plans, etc.

Economics of the Business

In order for OORE Couture’s monthly expenses of \$76,529 in which they amount covers the fixed costs and variable costs. We have calculated to breakeven we need to sell at least 1226 items in month 4 of opening up the establishment. The following statistics are based on the projections is breaks down to the following:

Break Even Analysis

Top wear

- a. Shirts- $(50 - 2.7) * 21\% \approx 10$
- b. Baseball Jersey- $(75 - 20.9) * 10\% \approx 6$
- c. Blazers- $(85 - 26.5) * 8\% \approx 5$

Bottom Wear

- a. Jeans- $(65 - 6.9) * 26\% \approx 16$

Footwear

- a. Shoes- $(150 - 27.4) * 18\% \approx 23$

Accessories

- a. Masks- $(25 - .91) * 12\% \approx 3$
- b. Pocket Squares- $(15 - .58) * 5 = 1$

Total of 64
 $1195 / 64 \approx 1195$ units

- A. Top wear- $(39\% * 1195) \approx 465$ items
- B. Bottom wear- $(26\% * 1195) \approx 310$ items
- C. Footwear- $(18\% * 1195) \approx 216$ items
- D. Accessories $(17\% * 1195) \approx 204$

	Prices
Items in Year (1)	Year (2)
Top wear:	
Blazers: \$85.00	\$86.99

Jerseys: \$75.00	\$76.99
Shirts: \$50.00	\$51.99
Bottom Wear	
Jeans: \$65.00	\$61.99
Accessories	
Mas: \$25.00	\$26.99
Pocket Squares: \$15.00	\$16.99
Subscriptions in Year 2	\$85.00
Rack(ID)- Executive (2 shirts, 2 accessories, 1 hr. consultant services)	\$85.00
Rack(ID)- Premium (1 shirt, 1 accessory, 30 mins. Consultant services)	\$75.00
Rack(ID)- Basic (3 Accessories, 10 minutes Consultant Services)	\$65.00

Break Even Analysis

Top wear

- d. Shirts- $(50 - 2.7) * 21\% \approx 10$
- e. Baseball Jersey- $(75 - 20.9) * 10\% \approx 6$
- f. Blazers- $(85 - 26.5) * 8\% \approx 5$

Bottom Wear

- a. Jeans- $(65 - 6.9) * 26\% \approx 16$

Footwear

- b. Shoes- $(150 - 27.4) * 18\% \approx 23$

Accessories

- c. Masks- $(25 - .91) * 12\% \approx 3$
- d. Pocket Squares- $(15 - .58) * 5 = 1$

Total of 64

$65529/64 \approx 1020$ Items to be sold per month in Year 1.

- E. Top wear- $(39\% * 1020) \approx 398$ items
- F. Bottom wear- $(26\% * 1020) \approx 266$ items
- G. Footwear- $(18\% * 1020) \approx 184$ items
- H. Accessories $(17\% * 1020) \approx 174$

Forecast Analysis

With a projected 3-5% increase in product sales after the month of April in we expect to generate revenue totaling \$953,909.40 with a Net profit of \$155,556.00. With the introduction of our Rack (ID) subscription, KPI system, and machinery in year 2,. We want to be more aggressive with our pricing to make it difficult for local competitors to compete. Thus, bringing value to both the customer and our business.

Year 2

Top wear

- g. Shirts- $(51.99 - 2.7) * 7\% \approx 5$
- h. Baseball Jersey- $(76.99 - 20.9) * 10\% \approx 3$
- i. Blazers- $(86.99 - 26.5) * 7\% \approx 4$

Bottom Wear

- a. Jeans- $(66.99 - 6.9) * 10\% \approx 7$

Footwear

- a. Shoes- $(151.99 - 27.4) * 8\% \approx 10$

Accessories

- a. Masks- $(26.99 - .91) * 9\% \approx 3$
- b. Pocket Squares- $(16.99 - .58) * 8\% = 2$

Subscriptions

- a. Executive $(141.11 * .10) = 15$
- b. Premium $(73.57 * .15) = 12$
- c. Basic $(68.61 * .16) = 11$

Total of 72

$80,000 / 72 \approx 1112$ Items to be sold per monthly in Year 2.

Calculations

- I. Top wear- $(1112 * 24\%) \approx 266$ items per month
- J. Bottom wear- $(1112 * 10\%) \approx 112$ items
- K. Footwear- $(1112 * .08) \approx 89$ items
- L. Accessories $(1112 * 17\%) = 190$ items
- M. Subscriptions $(1112 * 31) = 344$ items

Marketing Plan

The proposed venture's marketing plan is critical. It speaks to the intention of achieving the sales projections included in the business plan. The plan must detail the overall marketing strategy to be used to exploit the opportunity and execute the competitive advantage. Consider including material that speaks to the sales and service policies which the plan supports. Also, consider including such items as pricing, distribution, promotion, and advertising strategies along with the sales projections. Think of the marketing plan as an opportunity to share with potential investors the WHAT/WHEN/HOW/WHO'S of the strategy. WHAT will be done HOW it will be done, WHEN it will be done, and WHO will do it? Be sure to fully explore the SWOT analysis and describe how strengths and weakness will be leveraged, and how threats and weaknesses will be mitigated.

Design and Development Plans

Based on the market of fast fashion there's a high demand for unique trends in younger people. Younger individuals want to wear the luxuries of the New York Run Way at an affordable price. OORE wants to debunk the myth that iconic styles only come from the runway but actually from the young diverse minds walking the streets. We plan on designing eclectic apparel for people everywhere and we want them to be a part of the process. It's our goal to use the data generated from customer orders and fashion software to improve our product and to develop new trends, while generating and sustaining profitability. Generally, fast fashion retailers are not heavily invested in creating a fashion trends and designs, but are inspired by the most attractive and promising trends spotted at fashion shows and by cues taken from mainstream consumers. In many cases original designs are stolen, duplicated and then marketed as the innovative idea of other establishment, in which causes for loss of revenue for the originator. Prime example, in 2009 Gucci accused Guess of trademark infringement and tried to sue them for \$221 million. In the end, they received \$4.7 million. Branding and trademarking are essential for OORE especially with creating original patterns, trends and styles. They allow for us to leverage ourselves within the retail market but the designs can easily be duplicated and mass produced by larger competitors. Ultimately, with the use our management team, fashion consultants, and CRM software our retail model will be hard to duplicate. In

the next section I will be referring to the start cost up to start the construction of OORE Couture.

Through surveying the Jersey City demographic with the assistance of a business consultant, it was reported that there is little direct competition in the arena of customizable wear within a 5-mile radius. Furthermore, research explained that it would be a profitable venture to begin construction in area of younger age demographic (18-35) with at least an average median Income of \$65,000.00.

According to the business consultant our legal expenses for obtaining licenses (Health department license and business license) and permits (Fire department permit, Air and water pollution control permit, and Sign permit et al) – **\$4,500**. The Budget for publicity and advertisement of our brand – **\$50,000**. The cost of Insurance (general liability, theft, workers' compensation and property casualty) coverage at a total premium – **\$30,400**.

The expenses of accounting software, CRM software and Payroll Software – **\$3,000**. The cost for leasing facility for our production factory – **\$200,000** and the facility remodeling – **\$100,000**. Expenditure for purchasing initial supply of fabrics, racks, hangers and packaging materials – (**\$200,000**). For phone and Utilities (gas, sewer, water and electric) deposits – (**\$6,500**). The Operational cost for the first 3 months (salaries of employees, payments of bills et al) – **\$40,000**. The cost for Start-up inventory – **\$15,000**.

The cost for sewing machines and other sewing equipment and tools– **\$30,000**. The cost for the purchase of furniture and gadgets (Printers,

- Telephone, vacuum cleaner, tables and chairs et al) – **\$30,000**. The cost of Launching & Hosting Website – **\$1,832**. In relation to security the purchase and Installation of cost
- CCTVS'- **5,000**. Lastly, our grand opening party will cost **\$8,000**, miscellaneous supplies – **\$10,000** and the service of the business consultant is **-\$2,500**. It is estimated to take 3 years to have the business fully operational.

Manufacturing and Operations Plan

The choosing of a prime location is vital with running a profitable clothing retail store. OORE has chosen to host its operations in a warehouse located in Jersey City, New Jersey. Jersey City has designated to in focusing on attracting young adults of the Jersey City location. The New Jersey as pf July, 2019 census confirms that 46% of the Jersey City residents are between the demographics of 18-65with the average household median of \$70,000. Moreover, the out of the 23,631 firms located in area, retail accounts for the highest amount generated sales. Thus, confirming that area is highly commercial and saturated with shoppers. To our advantage we have situated our facility will be located on the 4th floor of Warehouse of The Sterling15 Wilkinson Ave. It's a 20,500 Sq. ft/ 16.00/ 1 Year lease- where price is negotiable. To operate our facility, we need the following management team.To ensure production is running smoothly and fulfilling orders. We have listed a BOM of one of our staple pieces, OORE sweater as well as Sampling Procedure for our customizable sweater.

Bill of Material for OORE Customizable Sweater

Chief Executive Officer – CEO:

- Increases management’s effectiveness by recruiting, selecting, orienting, training, coaching, counseling, and disciplining managers; communicating values, strategies, and objectives; assigning accountabilities; planning, monitoring, and appraising job results; developing incentives; developing a climate for offering information and opinions; providing educational opportunities.
- Responsible for providing direction for the business
- Fulltime

General Manager:

- Develops strategic plan by studying technological and financial opportunities; presenting assumptions; recommending objectives.
- Accomplishes subsidiary objectives by establishing plans, budgets, and results measurements; allocating resources; reviewing progress; making mid-course corrections.
- Responsible for managing inventory and ensuring adequate amount
- Commission Based

RCM Software Manager

- plan, coordinate, and supervise all activities related to the design, development, and implementation of organizational information systems and software applications.
- Part-time

Sales and Marketing Manager

- Manages external research and coordinate all the internal sources of information to retain the organizations' best customers and attract new ones
- Models demographic information and analyzes the volumes of transactional data generated by customer purchases
- Fulltime

Cashier:

- Receives payments on behalf of the organization
- Issues receipt to customers
- Interfaces with the organization's banks
- Fulltime

Fashion Designers

- Responsible for designing clothes to meet the latest trend
- Stays abreast with the dynamics of the clothing line industry

- Researches and advice the organization on style, size and other trendy fashion statements
- Recommend styles and fashion trends based on store line of product
- Part-time workers paid off Commissions of sales.

Fashion Consultants

- Ensures that all the clothes in our production line meets the required quality before they are released in the market
- Makes certain that production and manufacturing lines perform efficiently, coordinate employee efforts, and facilitate communications between management and production departments.
- Work specifically with the clients to pair them with either our tailors or with Rack(ID) system
- Part-time worker (Works during distribution hours) with a commission component

Tailors

- Responsible for sewing clothes as instructed by the supervisor / fashion designer
- Responsible for cutting clothing materials to fit the expected design and size
- Handles any other duty as assigned by the general manager
- Part-time

Factory Workers:

- Responsible for ironing and packaging of clothes
- Responsible for movement of equipment and raw materials as required
- Ensures that toiletries and supplies don't run out of stock
- Cleans both the interior and exterior of the factory
- Part-time/ Grave yard shift.

Ultimately, the workforce will responsible for the branding, packaging, and customization of inventory. We will depend highly on our international suppliers to provide us with all of our apparel. In the first year we want We sell our apparel at process of the delivery will take on average 3 to 4 weeks for the material.

In reference to our hours of operation, OORE Couture will be open from Monday to Saturday, from 12 pm to 8 pm. We believe operation during these times will be the best time to attract the appropriate demographics:

- Mid to higher income individuals
- Price conscious
- Trend followers

In relations to marketing we use various social media platforms' Facebook, Instagram, Twitter Pinterest, local outlets- commercials, and Radio stations. Lastly, we will host local monthly giveaways. Thirdly, we will send out Rack(ID)'s t members and emails to those who are referred by current members.

Management Team

The management team of any business is as critical as the product or service itself. The greatest product possible could be manufactured, however if the management team fails to execute the company plan, lost sales could occur which may prove fatal.

Describe each management position on the team, their role, responsibilities, and required compensation. Is the management team willing to accept lower compensation given the start-up nature of the business? If so, this is worthy to note when presenting the plan. Has the talent been balanced on the team? Does the team possess adequate technical skills, leadership skills, and a proven track record of success? Beyond their salary compensation what other perks will be offered? Does the business intend to offer profit sharing, stock options or a bonus plans? What is the strategy for holding on to intellectual property especially after the management team proves successful? Many companies go to exhausting lengths to ensure sustainable, successful management teams. Good management personnel

are hard to come by. Finding them is an incredible challenge however it pales in comparison to retaining them once they have proven their worth.

Sustainability and Impact

All business plans must address sustainability and impact. Every business developed has had some impact on the economy, society, or the environment, and all businesses or investors will want to know up-front how the proposed business venture can/will impact all these areas.

If the business has a favorable impact on any of the above, the chance of sustainability is greatly increased. In keeping with this theme, think about the type of potential waste that may be generated by the business. Will the business adequately and compliantly recycle, or dispose of the waste it creates? Review and discuss the impact on the planet's green initiative to include carbon reduction, and effective waste management. If there are suppliers, there is a need to include the supplier list in the plan and explain how they intend to address their impact on the environment.

Often the manner in which a company addresses these issues can create separation from their competitors. All things being equal, if the production environment of the proposed business proves to be a greener, more planet friendly alternative, it could create separation from competitors on this element alone. Forward think on this issue and try to project future impact on the company and product line growth. Is the company poised and on track to improve the environment or is there risk of falling back to the pack?

Finally, this section should address the potential exit strategies of the venture. Remember, exit does not mean just leaving the venture; it is a liquidity event as the venture achieves certain milestones and these should be analyzed and presented.

Overall Schedule

Scheduling is extremely important and can quickly become the deciding factor in the success for the pursuit of funding. Investors want to see a meticulously formulated plan with realistic goals and objectives, alternative strategies in the event certain mid-term goals are missed, as well as remediation plans should a major “show-stopper” occur. This is the time to think out of the box, demonstrate solid forward thinking and show just how creative this plan can be, given the opportunity. Leave nothing to the assumption of the reader or audience. Walk them through the elements in the order that is envisioned for the events to occur. As an example:

- o Lay out a cash conversion cycle for each product or service
- o Create a month-by-month schedule which shows the timing of the
 - Product development
 - o Market planning
 - o Sales programs
 - o Production
- o Display critical milestones essential in achieving success to include:
 - Incorporation of the venture, Completion of design and development, Completion of proto-types, Securing of sales representatives, Trade Show displays, Contracts with distributors and suppliers, Material orders in quantities indicative of production volumes This is a time to demonstrate copious adherence to every

detail. Leave no stone un-turned and when those in attendance walk away they should be thinking “Wow, what a presentation. This idea is solid and I need to be part of this business”.

Critical Risks, Problems, and Assumptions

The *Entrepreneurial* spirit is based on a risk-reward mindset. Willingness to assume such risks is at the very core of every entrepreneur. Although it is assumed the business creator accepts these risks, those who consider investing in the business need a bit more assurance. Often times, investor comfort levels can be heightened simply by observing the care with which the business plan identifies and addresses these risks. Be thorough in the review of all the risks, problems, and obstacles perceived to be in the path of operating a successful business, and by extension the path of all stakeholders.

Identify each risk and its potential impact on the business. Will it affect personnel, product delivery, product development, and product market appeal? Drill down through the Sales assumptions made in the projections. Talk to how and why such projections have been offered, and provide insight as to how the numbers were determined (in many cases, appendices and exhibits should be used in support for many of these sections)... Address potential “show-stoppers”; why they may be considered such, and how they could be managed. It has long been a standing rule that most potential investors will read the “Management Team” section first, and then immediately turn to this section. Omission could prove fatal with the reader concluding a belief that they may be stupid or naïve; or that the plan is attempting to pull the “wool over their eyes”; or there is insufficient critical thinking to have thought of these exposures. Any of these conclusions results in refusal to engage, and does not achieve the goal. Be thorough in the review and consider some, if not all of the following:

- o Running out of cash before orders are secured o
- Potential price cutting by competitors
- o Unfavorable industry trends o Design or
- manufacturing costs exceeding original estimates o Sales
- projections not achieved o Raw material lead-time
- longer than anticipated o Challenges obtaining bank
- credit

Weigh these risks placing higher weights on the most critical down to the least critical to demonstrate a stronger sense of impact. Do not take this section lightly. Be certain to do demonstrate deep critical thinking in this area. It can and will separate the plan from competitors.

The Financial Plan

In this section the proverbial “rubber meets the road”. It is here where many of the potential investors and/or bankers will focus to uncover the true financial requirements of the business. Accurate presentation of the estimates results in increased validity of the business plan. The business viability and timetable will be on display in this section. The use of financial exhibits will be expected. Use cash-based rather than accrual based accounting (use a real-time cash flow analysis of expected receipts and disbursements). Where possible, cover three years, including current and prior year income statements and balance sheets. Any profit or loss forecasts would help as well, along with pro forma income statements and balance sheets. Many of these can be discussed and described here while providing the full statements in appendices and exhibits. In most cases, start-ups will use pro forma income statements. Use sales forecasts and the accompanying production or operations costs when preparing the pro forma. Be certain to completely review/discuss the assumptions made in these reports.

It is imperative that a discussion be provided on worst case, most likely and best case scenarios. Describe how certain assumptions may cause any of these scenarios and what that will do to certain performance indicators.

Proposed Funding Requirements

Now that the business idea has been fully described and presented, it is time to identify exactly how much funding is being sought after. Identify how the plan intends to invest this money in the business, and the rate of consumption. The potential investor's, of course will want to hear about how they are going to have their investment dollars repaid, and will require a detailed plan to achieve the desired rate-of-return on their investments.

Understand that those investors who are serious about investing in your business will be the one's most concerned with the content in this section. Be prepared for the potential investors to counter offer ideas on how to pay back the money, with a few rather creative ideas of their own. Think about the offering and potentially how the business may sell stock in the company? What percentage of the company will be surrendered to investors? Will controlling stock be retained or is there a willingness to sell more than half of the interest in the business? Consider retaining a certain amount of stock for future employee stock option plans.

All investors want to know how their money is going to be spent. Be prepared to provide a list of items planned to purchase. How much will be spent on creative design, market research, development, and the creation of production facilities? The more data provided, the greater the comfort level your investors will feel.

References

Spinelli, S. & Adams, R. (2012). *New venture creation: Entrepreneurship for the 21st century* (9th ed.). NY: McGraw-Hill.

NOTE: It is expected that 20-30 resources (80-90% from scholarly sources within the past five years) will be used throughout the business plan, and listed here in proper APA format.

The distillation of the sources and their relevance to this proposed venture is the most important aspect. Proper APA citations must be used at all times.

Appendix

NOTE: Appendices should be included that support the discussion within the business plan and referenced herein; this may include but not be limited to financial statements, charts, diagrams, org charts, etc.

Disclaimer

The above business plan outline was developed and created from information gathered in the text book “The New Venture Creation: Entrepreneurship for the 21st Century”. Details on the entire content in this document can be reviewed on pages 256-266. This document was intended as a tool or template to be used by Nyack Graduate School of Business and Leadership students in the pursuit of the degree of MBA. Any comments, suggested modifications or questions should be directed to the MBA Director.