

'Proforma' Company

DRAFT – Business Plan Strictly Private & Confidential

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Basis of Business Plan

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The Business must not be contacted directly in any circumstances. Questions and requests for further information regarding the Business should be made to:

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Proforma Company

Proforma Company **Business Plan**

Part I

- a) Definitions & Glossary.

Part II – Information on the Company.

- a) Executive Summary
- b) Background.
- c) The Business Model.
- d) Intellectual Property and Trademarks.
- e) The Target Market.
- f) Future Market Opportunities.
- g) Competition.
- h) The Directors & Management Team.
- i) Financial Information.
- j) Business Projections.

PART I

A) DEFINITIONS & GLOSSARY

[Include key words or phrases commonly used in the Business which an outsider would not necessarily understand (Company and Industry Jargon)]

PART II

A) EXECUTIVE SUMMARY

TO BE WRITTEN LAST AFTER ALL OTHER SECTIONS ARE COMPLETED AND HAVE BEEN CRITIQUED BY THE VFD, WHO WILL HIGHLIGHT THE 10-12 REALLY KEY POINTS WHICH NEED TO BE INCLUDED IN THIS EXEC SUMMARY.

NB. This is the only section which will definitely be read!

The executive summary should be written last and written with real passion – otherwise your audience will not take the plan seriously. However avoid clichés and words like 'Unique', 'Huge', 'World beating' and 'enormous'.

B) BACKGROUND

- 1) Details of when the business was founded
- 2) Expertise of Management team
- 3) Where head Office and subsidiary Offices are based (Freehold or Leasehold – lease terms, scalability)

C) THE COMPANY BUSINESS MODEL

- 1) The target markets (Outline)
- 2) The main product or service offerings including:
 - Benefits to the customer
 - What problem does the product or service solve
 - Why will customers continue to buy?
- 3) Existing contracts – Revenues
- 4) Sustainable competitive advantage
- 5) Research and development required to retain advantages
- 6) Geographical markets and plans for expansion / acquisitions

D) INTELLECTUAL PROPERTY AND TRADEMARKS

- 1) Patents held, applications submitted
- 2) Trademarks registered and applied for (R and TM)
- 3) Designs registered and applied for.
- 4) Copyrights of original and written work.

NB. This section should also cover why the business is not just a 'me too' company.

E) THE TARGET MARKET

- 1) Current market sectors generating revenue
- 2) Current market size, expected growth rate and market trends – Independent statistics or market research where available (Published reports are the best info – sources are libraries, trade bodies and the FSB)
- 3) Barriers to entry, selling price pressures, design cycle, product life cycle and average gross margin.
- 4) Marketing plan – pricing plan, promotion activity planned, route to market (inc licensing if appropriate)

F) FUTURE MARKET OPPORTUNITIES

- 1) Plans to penetrate different sectors of the market eg. By acquisition of smaller companies or entry to new markets
- 2) Plans for entry to adjacent markets.

G) COMPETITION

Details of the main competitors:

- 1) Main competitors inc. financial backing, market presence
- 2) Identified weaknesses in key competitors eg. Flawed strategy, poor morale or declining levels of customer service.
- 3) What will be the Competitor response to the company's offering?

H) THE DIRECTORS AND MANAGEMENT TEAM

The day-to-day management of the Company is delegated to the Operating Management team ... The Management Team is collectively incentivised ... It is the company's intention to introduce a tax efficient Enterprise Management Incentive Scheme to further align the Management Team to the interests of shareholders.(?)

For each Management Team member:

- 1) Name, position, age
- 2) Potted CV including particular strengths for the Company
- 3) Acquisition experience / rapid growth management

Also mention shareholder investment and commitment (inc sweat labour where no salary taken). Again convey the passion of key players for the business.

I) FINANCIAL INFORMATION

Table of Filed Accounts results

Year Ended 31 March	2005	2006	2007
	£,000	£,000	£,000
Turnover			
Business 1			
Business 2			
Total Turnover			
Gross Profit			
Business 1			
Business 2			
Gross Profit Total			
Operating Profit			
Business 1			
Business 2			
Operating Profit Total			
Group			
Group Operating Profit			

The above figures are stated including [personal expenditure, one-off expenditure etc] [also include any services taken for less than market value]

J) BUSINESS PROJECTION

The Business is projecting the following:

[Summary of the Financial Plan]