

## What should be in your Business Plan before you consider borrowing

It is important for the financial institution to gain an in-depth understanding of your current business or business idea. Successful applications are ones that clearly identify and communicate all facets of a business.

### Step 1 - Know Your Business

- Describe who you are, what your business is about, your business goals, what inspired you to start, buy or grow the business.
- Understand what legal structure works best for you (sole proprietorship, partnership, corporation, non-profit, project of larger).

### Step 2 - Describe the Product and Service

- Detail how your product and service or innovation is unique. It is important to use facts and numbers on why your business model will be profitable.

### Step 3 - Who Are Your Customers / Target Market?

Before you sell something, you need to know who you are selling to.

#### Conduct market research

- It can help you identify the age group, gender, lifestyle, and other demographic characteristics of the people you are targeting. It is important to provide statistics, analysis, numbers and supporting facts that can show the reader there is a demand for your product or service.

### Step 4 - Develop a Marketing Plan

Your banker or lender will want to see the marketing section of your business plan before lending you money.

#### Know Your Competitors

- It is important to know who you are competing with and what are their competencies – Compare Strengths, Opportunities, Weakness and Threats with your competitors (make sure your customers know your strengths).



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## How Will You Deliver Your Product / Service to the Customer?

- i.e., retail, wholesale, e-commerce.

## Group your marketing activities

- Create a chart or table on how much you are spending on plan on spending on marketing medium – i.e. advertising (print, online, websites, trade shows), Networking, Associations.

## Plan for the unexpected

- No matter how meticulously you've planned your marketing strategy, something unexpected can always come up - i.e. regulations, shifts in trends, environmental issues, changes in the economy, new competition. Have a Plan B!

## How much should you charge?

- Indicate your price and pricing strategy. If your price is too high, you might alienate your customer, if it is too low; you may give the impression that your product or service is inferior.

## Step 5 - Know Your Organization

- What is your organizational structure / legal form? (sole proprietorship, partnership, corporation, non-profit, spin off from a larger organization)
- Do you need legal requirements? (licences, certificates, registrations, insurances, boards of directors)
- Other sources - advisors, legal and accounting.

## Step 6 - Understand Your Financials

- Start-up costs. List all your start up requirements and costs including working capital.
- Operational costs. These are your fixed and variables (what it cost to continue to operate the business).

If you require further information or have questions, send an email to: [Microfinance@alterna.ca](mailto:Microfinance@alterna.ca)



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