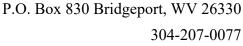
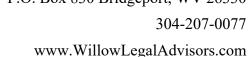


Business Plan Questionnaire









BUSINESS PLAN QUESTIONNAIRE

This questionnaire will guide your strategic planning before starting a new business venture – whether your established business is expanding by offering a new product or service or whether you are forming a new business entity with no prior operating history. You should use this questionnaire to analyze the objectives, goals, strengths, and weaknesses of your potential business. The process of creating the plan will help you develop strategies in pursuit of the highest chance of success and referencing the plan as the business grows will keep you focused on those strategies. You should periodically review the plan to measure the success of your strategy and update the plan where necessary.

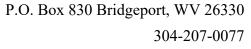
To get started, first, work through the questions provided in Parts I through V below. Use the questions to carefully consider the problems and opportunities your potential business will face. Additionally, take the time to discuss the questions with any potential partners in the business. Not only will discussing the issues together provide other useful perspectives, but such discussions will also help set expectations and address key business issues before problems develop. Actively considering these types of questions is the most important step in the planning process. If you do not know the answer, take the time to think through the problem. The greatest value of preparing a business plan is gained from the process rather than the final product.

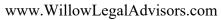
After answering the questions in this questionnaire, take the time to think about any issues that are unique to your business. This questionnaire is designed to be generic to address issues that face many businesses but may not address issues that are unique to your proposed industry. For example, some industries are highly regulated and may require special permits. Take the time to identify those issues and describe how each issue will be addressed.

Next, use the template provided in the Appendix as an outline to structure your formal business plan. The template is a common way to organize the information in a business plan, but you should structure the plan in the way that makes the most sense for your particular business. Using your responses in the questionnaire, write each section in a smooth narrative that addresses each of the issues and solutions you identified. You may find that some information is used in multiple sections. When writing the plan, keep in mind the audience you intend to read the business plan. A document intended only for internal use in the company will likely look very different than a document that is created to solicit investors or financing for the company. After completing this process, you should have a thorough understanding of the problems and opportunities that your new business may face.

Nothing in this questionnaire is intended to be or should be taken as legal advice. This questionnaire and the related material are for general informational purposes and do not represent a complete analysis of the topics presented. Your use of this material does not create an attorney-client relationship with Willow Legal Advisors. This material may not address issues that are specific to your situation, and you should contact an attorney directly if you have any legal questions or concerns.







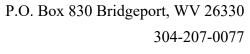


PART I – COMPANY OVERVIEW

Use this section to describe the scope and purpose of the business. Your answers in this section will inform your responses to the remaining parts of the questionnaire.

General Outlook
What is the overall purpose and mission of the business?
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What problem will your business solve for its customers?
How will your business solve that problem?
What is your vision of the business after the first three years?
What are the key metrics that you will use to measure the success of the business?
<u>Key Players</u>
Who are the founders of the business?
Who will be involved in the day-to-day management of the business, and what roles will they perform?
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Who will provide the initial capital to start the business?
Will the initial capital be treated as an investment in the business, as a loan to be repaid by the business, or a combination of the two?







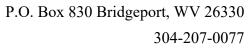
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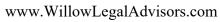
PART II – PRODUCTS AND SERVICES

Use this section to describe the products and services that your business will sell to its customers

and the value of those products and services.
What are the key products and services your business will offer?
What problem will your products or services solve for your customers?
Why will customers choose your product or service when compared to your competitors?
What steps are required to make your products or services available for purchase?
What is the service life of your product or service?
PART III – KEY NEEDS
Use this section to identify the resources your business will need to introduce your product or service to the market and meet your metrics of success.
Key Resources
What raw materials are required to manufacture your products or perform your services?
What equipment is required to manufacture your products or perform your services?
What intellectual property is necessary to protect your products or services?
What is the lead time, including sourcing and distribution, to bring each individual product or service to a customer?



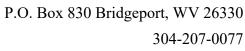






Key Personnel
What executive roles are necessary to successfully bring your product or service to the market, and who will fill those roles?
What personnel functions will your business need to bring your product or service to the market and to operate on an ongoing basis?
Of the personnel identified above, which roles will be filled by contractors and which roles will be filled by employees? Please consider approximately how many individuals will be necessary for each role and whether they will be full-time or part-time.
What professional advisors will your business need to consult to start your business?
What professional advisors will your business need to consult to operate and maintain your business?
Key Third-Party Relationships
What vendors, distributors or suppliers will your business need to make your product or service available to customers?
What key material and resources will third parties provide to your business?
What key activities and functions will third parties perform for your business?
How will the third parties identified above be compensated?
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PART IV – MARKETING PLAN

Use this section to identify your target customers and to evaluate the market in which you intend to sell your products or services.

Market Analysis
Who are your target customers?
What is the geographical area of the market your business will serve?
How will you engage with your target customers and promote brand awareness?
What trends have you identified in the market?
What barriers exist for your business to enter the market?
Competitive Analysis Who are the competitors in your target market?
What alternative products or services are available in your target market?
What are the prices of such alternative products or services?
What are the strengths of your competitors' offerings?
How will your business overcome your competitors' strengths?







What are the weaknesses of your competitors' offerings?		
How will your business capitalize on your competitors' weaknesses?		

PART V – FINANCIAL PLAN

Use this section to identify the start-up and operating costs associated with your business, as well as the revenue you project your business to generate. These numbers should be as accurate as possible to ensure that the business is adequately capitalized.

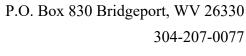
Estimated Start-Up Costs

Building / Real Estate	Raw Material / Inventory
Leasehold Improvements	Website / Marketing
Capital Equipment	Software / Technology
Formation Fees	Supplies / Expenses
Licenses / Permits	Reserves

Estimated Annual Operating Costs

Facilities Lease	Inventory
Capital Equipment	Office Supplies
Debt Obligations	Utilities
Payroll	Licenses and permits
Marketing / Advertising	Website Hosting
Insurance	Communications
Legal / Accounting	Other







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Revenue Projections
What is the cost to provide your product or service to customers, including materials, packaging, shipping, travel and commissions?
What price will you charge for each of your products or services?
What are your projected sales for each of the first three years of business?
How do you support your projected sales numbers?
Taking into account all expenses, how much revenue will you need to generate to break even in year 1?
How many products or services must be sold at a given price to generate the break-even amount?
<u>Capitalization</u>
What assets, including cash, will the founders contribute to the business?
What assets, including cash, will third-party lenders contribute to the business?

How much capital will your business have from other financing sources?





APPENDIX

Business Plan Outline

Use this as an outline for the structure of your finished business plan. Although this is a common structure of a business plan, the nature of the document allows for flexibility in its arrangement. No matter how the plan is structured, it should present the information in a logical and useful manner, using headings and subheadings to organize the information. If your finished plan is more than a few pages, you should add a table of contents for easy navigation.

Executive Summary

Although this is typically the first section in a business plan, you should write the executive summary last. This section should be a brief overview of your company's mission and growth trajectory and should highlight the other sections of the business plan. The executive summary is often the most important section in a business plan when used to seek financing because it serves as the basis of the reader's first impression of the company.

Company Description

The purpose of this section is to describe the business of the company. This section should answer the 5 W's regarding the business: who, what, when, where and why. If the business is already established, this section should include a summary of the business operating history and why the new business venture is being developed. This section should also include your mission statement and any short and long-term goals of the company and should answer how the company with thrive in the industry.

Product and Services

The products and services section should show, in detail, the value you will provide to customers. Thoroughly describe the product or service your company will offer its customers and explain the advantages your offerings have over any competing products and services. Explain the life cycle of your products or services and any research and development plan for new products. This section can also include any plans for protecting intellectual property, such as patents. If you plan to use your plan to seek funding, you should consider adding pictures or diagrams of your products as well, but these may be attached in the appendix.

Market Analysis

The market analysis section should give a detailed evaluation of the industry and market trends. You should fully describe the size, demographics, and projected growth of your target customer segments. Additionally, you should analyze the history, strengths, and weaknesses of any competitors in the market, compare your products or services with market alternatives and analyze the ability of any competitors to offer competitive products and services. This section should show



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a thorough understanding of the industry and thoughtful planning for the opportunities and challenges your business will face.

Marketing and Sales Plan

This part of the business plan will describe how your business will market and sell its products or services. You should detail your advertising and promotional strategies to reach your target market, including a description of any planned campaigns. Additionally, this section should set forth the pricing plan for your products or services and describe why customers will choose your offering over that of the competition. You should also describe how you will attract and retain customers and how sales will be made, such as in person or an online marketplace. This section should define your marketing goals for customer reach and/or sales conversion so that you can measure the success of your plan after implementation.

Organization and Management

Use this section to describe the key players of your business in detail. Describe the management structure and give a profile of the relevant background and skills of the owners and management team. Additionally, include the main responsibilities of each member of the management team and highlight any relevant past experience. Consider including or attaching an organizational chart if needed and describe any key professional advisors the business will utilize.

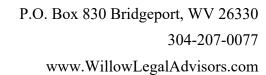
Operating Plan

The operating plan should describe your strategic goals and the milestones and conditions that must be fulfilled to reach those goals. This section should detail the activity of the company for the next one to five years. You should include details about the distribution and logistics of your operations, including costs and operations cycles. Include details about any suppliers, manufacturers and distributors your company will use. Additionally, you should include a section describing the company's staffing plan and any other needs or resources relating to operating personnel.

Financial Plan

The financial plan should show how the business will generate revenue and gain profitability. If your business is established, consider attaching your income statements, balance sheets and cash flow statements from recent years. Include realistic projections of the forecasted financial statements and capital expenditures of the company. For the first year, give monthly or quarterly projections of the company's finances. All projections should be based on realistic sales projections and a detailed expense budget. This section should include a projection of how long your business will need to operate until revenue will exceed expenses. If you are seeking financing, include your specific financing request in this section.







Appendix

The appendix is where you should attach any supporting documentation and additional details that explain the business plan, such as CVs of your founders or management team, market research surveys, pictures of your products or any marketing materials.

