



Guidance on Preparing an Introductory Business Plan For Initial Presentation to the Wholesale Lending Program

**Must be no less than 20 pages and, preferably,
no more than 35 pages in length**

- ✓ *Please use a 12 pt. Times Roman, 12 pt. Calibri, or 11 pt. Arial typeface*
- ✓ *Margins should be one inch all around*
- ✓ *Line spacing should be no less than single line spacing*

Section 1. Executive Summary (2 pages maximum)

The Executive Summary is the most important part of your business plan. Because if it doesn't interest readers, they'll never even get to the rest of your plan.

Write this last. It's just a page or two that highlights the points you've made elsewhere in your business plan. It's also the doorway to your plan—after looking over your executive summary, your target reader is either going to throw your business plan away or keep reading, so you'd better get it just right.

Start your Executive Summary with a brief and concise explanation of what your company does. Next, explain why your company is uniquely qualified to succeed. For example, does your management team have unique competencies? Are you launching a new game-changing technology? Do you have any patents? Are you the first mover in your market? Does a huge, unmet market opportunity exist? Etc.

Finally, include a synopsis of your financial projections in your Executive Summary. Specifically, include your expected revenues, expenses and profits for each of the next five years, how much funding you are seeking, and the key uses of these funds.

Section 2. Company Overview (2 pages maximum)

The Company Overview section provides a brief history of your company.

This section is an overview of who you are and what you do. It should summarize your vision and what you hope to deliver to your market, but it should also ground the reader with the nuts and bolts: when your company was founded, who is/are the owner(s), what state your company is registered in, where you do business, when/if your company was incorporated, what type of legal entity it is, and a bit about your recent sales and growth trajectory.

Importantly, your past accomplishments are perhaps the best indicator of potential future success, so be sure to identify and include all key milestones your company has achieved to date.

Section 3. Products and Services (3 pages)

Here is where you list and describe the products, services and/or technologies and technical breakthroughs that your company offers.

It is always a good idea to think in terms of the customer, community, and social needs and benefits that your product(s), service(s), and/or technology(ies) will provide.

Section 4. Market Analysis (4 pages)

You need to explain the type of business you're in. You need to know your market and how it's changing, your customers' needs, where your customers are, how to reach them and how to deliver your product/service/technology/technical breakthrough to them.

You'll also need to know who your competitors are and how you stack up against them—why are you sure there's room for you in this market?

You may wish to consider breaking this section down into several sub-sections as follows:

4.1 – Market Overview (1/2 page)

The Market Overview section discusses the size and characteristics of your market.

4.2 – Relevant Market Size (1/2 page)

The relevant market size is a much more specific calculation of your market size. It is the annual revenue your company could attain if it attained 100% market share. Your relevant market size is calculated by multiplying 1) the number of customers who might be interested in purchasing your products and/or services each year and 2) the amount these customers might be willing to spend, on an annual basis, on your products and/or services.

4.3 – Target Customers (3/4 page)

The Target Customers section precisely identifies your current and/or intended customers. Be sure to include demographic data on your target customers, such as their geography, the industries they are in or the industries they serve, etc.

4.4 – Customer Needs (3/4 page)

In this section, specify why customers will want or need your products and/or services. For example, do customers care most about speed, quality, location, reliability, cost, efficiency, value, environmental benefits, technical breakthroughs that will benefit them, ecific ways, etc.?

4.5 – Competitive Advantages (1-1/2 pages)

Importantly, identify your Competitive Advantages in this section. Specifically, state what is it about your company that will allow you to effectively compete (and win) against both direct and indirect competitors.

Section 5. Strategy and Implementation (5 pages)

5.1 – Strategy (1 page)

In the first part of this section, you need to define your strategic position: What are you going to do for your target market, what's your approach going to be, and what will make you successful and/or the best at what you plan to do?

5.2 – Implementation/Operations Plan (3 pages)

In the second part of this section, you need to outline how you're going to generate ongoing sales of your products and/or services. For many businesses, the key to this will be in developing and maintaining a loyal customer base. Be specific. Describe the daily functions your business must conduct. Include management responsibilities with dates and budgets.

Investors and lenders want to be sure that your project/business has a solid base of ready customers/buyers. They also want to be sure that your project/business will be able to generate the necessary revenues to cover all operations, pay taxes and debt service, maintain a reserve fund, and provide a profit to the owners/operators as well as a reasonable return on their money.

If you intend to make a product or products, please list the raw material/supply agreements that are or will be in place (i.e., where and how are you going to get the raw materials, ingredients, supplies, etc. to make your product(s)? How assured are you of the viability and longevity of this supply chain throughout the life of your project or business? What contracts, agreements, etc. do you or will you have in place and for what lengths of time? To what degree will these agreements reduce the risk that you could run out of supplies and not be able to produce your product(s)?).

Please also list the sales agreements/offtakes/power purchase agreements (PPAs)/distribution deals, etc. that you have or will have in place. What is the sales price of your product(s)? How are prices set? How long will these prices be fixed? Are there options for renewal? What are the terms of these options?

If your project or business will be a "merchant plant" or will be selling into a market without pre-arranged contracts and sales agreements, where prices fluctuate on an hourly, daily, or regular basis or where sales are based on spot market and commodity market prices, please describe the types of insurance, reserve funds, floor-price agreements, and other financial agreements and instruments that you have or will have in place to mitigate risk.

Each of these sections, which are summarized in the introductory business plan, will need to be described in detail in your full business plan. All of the relevant supply, offtake, and sales agreements, PPAs, etc. will need to be provided in the appendix to your full business plan.

5.3 – Milestones (1 page)

In the third part of this section, you need to list the key milestones you hope to achieve in the future and the target dates for achieving them.

Here is where you set goals for specific and critical undertakings, such as when construction will start, when construction will be completed, when a new product will be created and launched, by when you plan to execute new partnerships, etc. Explain how you are going to track results.

Section 6. Management Summary (3 pages)

Describe the organization of your business, and the key members of the management team. Include summaries of your managers' backgrounds and experience—these should act like brief resumes—and describe their functions with the company. Full-length resumes should be saved until later when the wholesale lender requests more information.

Section 7. Financial Plan (5 pages)

Your Financial Plan section has two sub-sections as follows:

7.1 – Revenue Model (1 page)

This section of your business plan explains how you will generate revenues. Do you sell products? Do you sell services? Do you have a unique technology to which you will be selling licenses? Please describe.

7.2 - Funding Requirements/Use of Funds (4 pages)

Your full financial model (income statement, balance sheet and cash flow statement) should be saved until later when the wholesale lender requests more information. In this section you'll simply include the highlights.

Please ensure this section includes:

- **A sources and uses table** (which breaks down the total project cost by showing the sources of revenues, investment, debt financing that will finance the project, and the uses of these funds, as appropriate, for land, engineering and development costs, construction, equipment, soft costs, and other capital expenditures; a minimum 5% contingency; financing costs including the lender's fees, interest on the money provided by an investor to be held in escrow until the loan proceeds have been disbursed, and ADE's fees; debt service reserve; and working capital during pre-construction, construction, startup, and the first 18 months of operation).
- **Projected net income** for the next five years.
- **Projected Profit and Loss** and **Cash Flow tables**.
- **A brief description of the assumptions** that are being used to make projections.

Section 8. Appendix

- Please attach your financial model here.
- Copies of supply, offtake, and sales agreements or letters of intent (LOIs) can be included here as well.

Page length suggestions above = 24 pages + Section 8 attachments