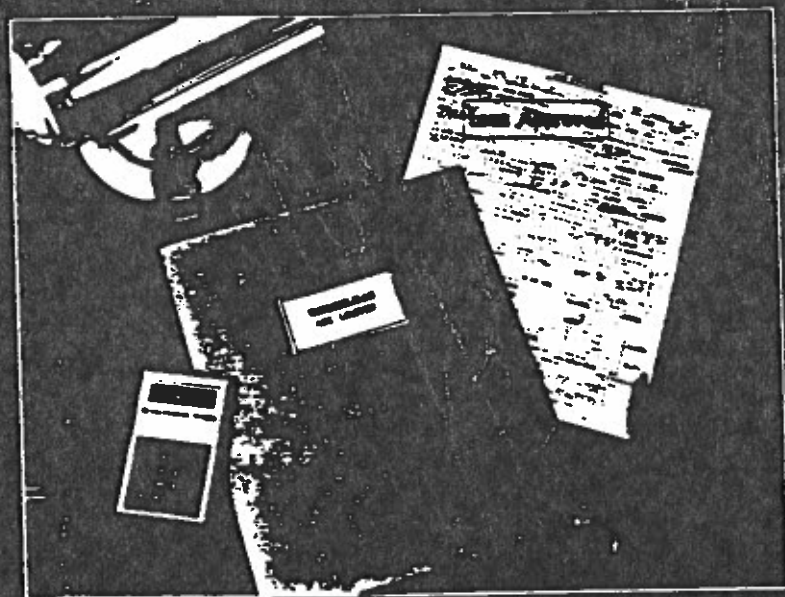


# Preparing A Successful Business Plan

A PRACTICAL GUIDE FOR SMALL BUSINESS



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## SelfCounsel

B·U·S·I·N·E·S·S·S·E·R·I·E·S

B Plan

Templates

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**WORKSHEET #1**  
**AUDIENCE PROFILE SUMMARY**

**TARGET'S NAME:** \_\_\_\_\_

**POSITION:** \_\_\_\_\_

**ADDRESS:** \_\_\_\_\_

**COMPANY:** \_\_\_\_\_

**TELEPHONE:** \_\_\_\_\_ **FAX:** \_\_\_\_\_ **REFERENCE:** \_\_\_\_\_

**SOURCES:**

**Name:** \_\_\_\_\_ **Telephone:** \_\_\_\_\_

**Name:** \_\_\_\_\_ **Telephone:** \_\_\_\_\_

**Name:** \_\_\_\_\_ **Telephone:** \_\_\_\_\_

**1. Target's personality and business traits** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**2. Advisers' names** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**3. Investment criteria** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**4. Traditional level of support (financial and management)** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**5. Other investments** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**6. Background on previous investment decisions** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**7. Was business plan important to past investment decisions?** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**8. Second-round financial support history** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**WORKSHEET #2**  
**SELECTING MODULE TEAMS AND GOALS**

NAME/POSITION	REASON FOR INCLUSION	TEAM ROLE
1. _____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
2. _____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
3. _____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
4. _____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
5. _____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

**OBJECTIVES:**

**INTERMODULAR PRIORITIES:**

1. (a) Finance must provide product team \_\_\_\_\_  
 (b) Finance must provide marketing team \_\_\_\_\_
2. (a) Production must provide finance team \_\_\_\_\_  
 (b) Production must provide marketing team \_\_\_\_\_
3. (a) Marketing must provide production team \_\_\_\_\_  
 (b) Marketing must provide finance team \_\_\_\_\_

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## WORKSHEET #3 EXPLORING THE RISKS

### 1. PRODUCT COMPLEXITY

Apparent risk perception \_\_\_\_\_

Action possible to reduce \_\_\_\_\_

### 2. PRODUCT LIFE

Apparent risk perception \_\_\_\_\_

Action possible to reduce \_\_\_\_\_

### 3. PRODUCTION UNKNOWNNS

Apparent risk perception \_\_\_\_\_

Action possible to reduce \_\_\_\_\_

### 4. LEGAL PROTECTION

Apparent risk perception \_\_\_\_\_

Action possible to reduce \_\_\_\_\_

### 5. DISTRIBUTION STRUCTURE

Apparent risk perception \_\_\_\_\_

Action possible to reduce \_\_\_\_\_

### 6. COMPETITION

Apparent risk perception \_\_\_\_\_

Action possible to reduce \_\_\_\_\_

### 7. PROMOTABILITY

Apparent risk perception \_\_\_\_\_

Action possible to reduce \_\_\_\_\_

**WORKSHEET #3 — Continued**

**8. PRICE SENSITIVITY**

Apparent risk perception \_\_\_\_\_

Action possible to reduce \_\_\_\_\_

**9. CUSTOMER FINANCIAL STABILITY**

Apparent risk perception \_\_\_\_\_

Action possible to reduce \_\_\_\_\_

**10. EXPOSURE TO INTEREST RATES**

Apparent risk perception \_\_\_\_\_

Action possible to reduce \_\_\_\_\_

11. \_\_\_\_\_

Apparent risk perception \_\_\_\_\_

Action possible to reduce \_\_\_\_\_

12. \_\_\_\_\_

Apparent risk perception \_\_\_\_\_

Action possible to reduce \_\_\_\_\_

13. \_\_\_\_\_

Apparent risk perception \_\_\_\_\_

Action possible to reduce \_\_\_\_\_

14. \_\_\_\_\_

Apparent risk perception \_\_\_\_\_

Action possible to reduce \_\_\_\_\_

**WORKSHEET #4  
EXPLORING THE REWARDS**

**1. REASONS THE CLIENT WILL BE HAPPY**

Reward perception \_\_\_\_\_

\_\_\_\_\_

Means to increase \_\_\_\_\_

\_\_\_\_\_

**2. REASONS EMPLOYEES WILL BE HAPPY**

Reward perception \_\_\_\_\_

\_\_\_\_\_

Means to increase \_\_\_\_\_

\_\_\_\_\_

**3. REASONS MANAGEMENT WILL BE HAPPY**

Reward perception \_\_\_\_\_

\_\_\_\_\_

Means to increase \_\_\_\_\_

\_\_\_\_\_

**4. REASONS INVESTORS WILL BE HAPPY**

Reward perception \_\_\_\_\_

\_\_\_\_\_

Means to increase \_\_\_\_\_

\_\_\_\_\_

**5. WHO ELSE GETS REWARDS AND WHAT ARE THOSE REWARDS ?**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



**WORKSHEET #5  
INDUSTRY MATTERS**

Industry description \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Will you operate locally? \_\_\_\_\_ regionally? \_\_\_\_\_ nationally? \_\_\_\_\_

What are the leading edge companies in the industry? \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Reasons for their success? \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Stable companies in industry? \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Historic highlights of industry? \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Key industry data that make you optimistic about the future \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

How does the industry perceive your company? \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Relative to your immediate competitors, your most distinctive company trait is \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

**WORKSHEET #6**  
**GENERAL CORPORATE PROFILE**

Name of company \_\_\_\_\_

Address of head office \_\_\_\_\_

Corporate legal counsel \_\_\_\_\_

Corporate bankers \_\_\_\_\_

Corporate auditors \_\_\_\_\_

Names of founders \_\_\_\_\_

Founders' current relationship to company \_\_\_\_\_

Major equipment and inventory assets \_\_\_\_\_

Real estate \_\_\_\_\_

Key suppliers: How many? \_\_\_\_\_ Do you import? \_\_\_\_\_

Are supply prices stable? \_\_\_\_\_

Names of brand name suppliers \_\_\_\_\_

Key customers: How many? \_\_\_\_\_ Do you export? \_\_\_\_\_

Does currency fluctuation affect business? \_\_\_\_\_

Names of major customers \_\_\_\_\_

Describe marketplace \_\_\_\_\_

Describe operational setting \_\_\_\_\_

Key intangible assets to support goodwill evaluation \_\_\_\_\_

**WORKSHEET #7  
PRODUCT ISSUES**

In our business we purchase:

- a) finished products
- b) components
- c) raw materials

We consider our main vulnerability to be:

Pricing of \_\_\_\_\_  
Reason: \_\_\_\_\_  
Supply of \_\_\_\_\_  
Reason: \_\_\_\_\_  
Quality of \_\_\_\_\_  
Reason: \_\_\_\_\_  
Durability of \_\_\_\_\_  
Reason: \_\_\_\_\_  
Other \_\_\_\_\_  
Reason: \_\_\_\_\_

We have completed a competitive product analysis. Yes \_\_\_\_\_ No \_\_\_\_\_

Our main competitive advantages are \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Our competitive problems are \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

We have interviewed end users of our product and their basic impressions are that \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If we could change one thing in the product component of our business it would be \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**WORKSHEET #8  
SERVICE ISSUES**

In our business service is:

- a) everything
- b) related to product supply
- c) tied to installation and maintenance
- d) a user of products as tools

We consider our main service vulnerability to be:

Cost of \_\_\_\_\_

Reason: \_\_\_\_\_

Supply of \_\_\_\_\_

Reason: \_\_\_\_\_

Quality of \_\_\_\_\_

Reason: \_\_\_\_\_

Training of \_\_\_\_\_

Reason: \_\_\_\_\_

Other \_\_\_\_\_

Reason: \_\_\_\_\_

We have completed a competitive service analysis. Yes \_\_\_\_\_ No \_\_\_\_\_

Our main competitive advantages are \_\_\_\_\_

Our competitive problems are \_\_\_\_\_

We have interviewed end users of our service and their basic impressions are that \_\_\_\_\_

If we could change one thing in the service component of our business it would be \_\_\_\_\_

**WORKSHEET #9**  
**USER BENEFITS AND THEIR VALUE**

We feel that the prime user benefits attached to our product/service are \_\_\_\_\_

To project these benefits we use the following techniques \_\_\_\_\_

User response indicates that they rate benefits as follows \_\_\_\_\_

Benefits we feel they underrate are \_\_\_\_\_

To overcome this we have \_\_\_\_\_

Our research indicates that the user values our benefits to justify pricing as follows \_\_\_\_\_

Our support documentation to justify these deductions includes \_\_\_\_\_

User expectations that we do not currently meet include \_\_\_\_\_

User demand for features we plan to consider in the future include \_\_\_\_\_

**WORKSHEET #10  
SEGMENTING THE MARKET**

Our initial geographical market boundaries are \_\_\_\_\_

Our primary customer profile is estimated to include potential buyers with the lead target markets located \_\_\_\_\_

We have/will run test markets in \_\_\_\_\_  
aiming to achieve a \_\_\_\_\_% acceptance rate of our product.

The traits that best describe our target customer profile include \_\_\_\_\_

To gather market information, our major sources were \_\_\_\_\_

The customer profile traits that are most important to us when we set out to prove the user benefit of our product include \_\_\_\_\_

The best "expert" quotation we have found to support our perception of market opportunity is \_\_\_\_\_

The most important statistical data we have gathered originated \_\_\_\_\_

A summary of that data is attached. (Gather support data that may be incorporated in a written report.) \_\_\_\_\_

**WORKSHEET #11  
KNOWING THE COMPETITION**

**a. DIRECT COMPETITION**

The best marketers who provide similar products in our marketplace are \_\_\_\_\_

\_\_\_\_\_

Estimated market share for each of our major competitors is \_\_\_\_\_

\_\_\_\_\_

Targets to win over market share include \_\_\_\_\_

\_\_\_\_\_

Advantages and disadvantages of our location relative to competitive sites include \_\_\_\_\_

\_\_\_\_\_

A consumer awareness survey of key industry competitors indicates \_\_\_\_\_

\_\_\_\_\_

Attached is a summary of our pricing, warranty policy, promotional incentives, distribution network, and other factors as compared to key competitors. Our main competitive edge is

\_\_\_\_\_

\_\_\_\_\_

**b. INDIRECT COMPETITION**

Our indirect competition comes from \_\_\_\_\_

\_\_\_\_\_

We expect this to grow/decline for the following reasons \_\_\_\_\_

\_\_\_\_\_

**c. UNKNOWN COMPETITION**

Unknown competition is of concern to us for the following reasons: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

We anticipate the following competitive trend: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**WORKSHEET #12**  
**THE ECONOMIC CLIMATE**

The major national economic factors that help determine our future business climate include

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The major regional economic factors that help determine our future business climate include

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The biggest concern we have about economic conditions is

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The most encouraging factor related to the current economic state is

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Increased inflation will affect us as follows:

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Increased interest rates will affect us as follows:

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Unemployment rates affect us as follows:

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Currency exchange rates affect us as follows:

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A recent "expert" quotation on the economy that supports our endeavor is

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**WORKSHEET #13**  
**SETTING MARKETING OBJECTIVES**

To expand our business we plan to increase market share by \_\_\_\_\_

\_\_\_\_\_

We also plan to pursue new markets by \_\_\_\_\_

\_\_\_\_\_

To protect our existing business we must \_\_\_\_\_

\_\_\_\_\_

Our historic pricing strategy has provided a \_\_\_\_\_ % profit margin and our current objective is to increase/maintain/decrease margins with the expected result to increase/maintain/decrease unit sales volumes. Our goal is to increase total gross profit by \_\_\_\_\_ % solely as a result of this change.

Our objective is to expand distribution by \_\_\_\_\_

\_\_\_\_\_

To continue the ongoing process of product enhancement we will \_\_\_\_\_

\_\_\_\_\_

Promotion goals for the near future include \_\_\_\_\_

\_\_\_\_\_

We plan to expand our sales effort by \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

The first three steps to achieving these goals are —

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

\_\_\_\_\_

Our ultimate sales goal for the first year is \_\_\_\_\_

**WORKSHEET #14**  
**THE MARKETING STRATEGY**

Our planned pursuit of increased market share and new markets is based on \_\_\_\_\_

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We have revised/not revised our pricing strategy because \_\_\_\_\_

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We expect this strategy to be in effect until \_\_\_\_\_

Current distribution objectives are the beginning of a strategy to \_\_\_\_\_

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Our long-term product strategy ties to current objectives because \_\_\_\_\_

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Our promotion philosophy is \_\_\_\_\_

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Tying these strategies to sales goals, we foresee the ability to grow at \_\_\_\_\_ % per annum over the next five years. Critical to this strategy is \_\_\_\_\_

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**WORKSHEET #15**  
**THE SALES PROGRAM**

Describe the existing/planned sales force including all incentive terms and territorial coverage \_\_\_\_\_

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Describe planned sales staff growth \_\_\_\_\_

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Name key sales people with proven track records \_\_\_\_\_

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Explain projected average order size and order expectations from sales staff \_\_\_\_\_

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Is product packaging, lot pricing strategy, and promotion consistent with target order size? Illustrate. \_\_\_\_\_

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Describe how unit product price affects the nature of your sales force. What sales training is required? \_\_\_\_\_

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What will be your three biggest promotion expenditures in the next year? \_\_\_\_\_

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Where do you usually meet your customers? \_\_\_\_\_

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**WORKSHEET #16**  
**SUMMARY OF FINANCIAL PRESENTATION DATA**

Our company has \_\_\_\_\_ profit centers, namely \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Our company includes the following overhead departments that do not generate revenue

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Non-operating sources of revenue/cash and demands on cash include \_\_\_\_\_

\_\_\_\_\_

We have/have not tax losses of \_\_\_\_\_ to carry forward and apply against operating income and our resulting tax costs next year will be at a rate of \_\_\_\_\_ %.

Terms of payment by customers in our business affect our cash flow as we expand in the following ways: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Our balance sheet accounts including inventory buildup, purchase of new fixed assets, and liability reductions will demand use of cash in the following areas: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

An increase in supplier credit will reduce the need for cash by \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Our development program includes \_\_\_\_\_ product development projects and their associated market development costs. Total planned costs for these areas are \_\_\_\_\_ and \_\_\_\_\_

**WORKSHEET #17**  
**OPERATING DEPARTMENT STATEMENT FORMATS -**

Department Name \_\_\_\_\_

The lead source of revenue in this department is \_\_\_\_\_  
\_\_\_\_\_

The relationship between this and other revenues may be described as follows: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Will these revenue classes grow at the same rate? Why? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Cost of goods sold for each revenue class is \_\_\_\_\_  
\_\_\_\_\_

In comparing our gross profit margin to other industry members we expect to \_\_\_\_\_  
\_\_\_\_\_

We justify this on the following basis: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

In addition to direct labor of \_\_\_\_\_ included in cost of goods sold we will have overhead management labor of \_\_\_\_\_ in this department. Other major overhead expenses include \_\_\_\_\_

The expenses most difficult to predict include \_\_\_\_\_  
\_\_\_\_\_

To improve our forecasts in this department we must \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

before completing this business plan.

**WORKSHEET #18**  
**CORPORATE OVERHEAD STATEMENTS**

Executive salaries for the first year of business total \_\_\_\_\_.  
Of this approximately \_\_\_\_\_ % can be applied directly to production costs, \_\_\_\_\_ %  
can be applied directly to sales expenses and \_\_\_\_\_ % to development costs.

Summarize a justification for all major expenditures and their relevance.

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Summarize contractual commitments such as lease terms, equipment obligations, and professional retainers.

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Estimate the volume of business this overhead level can handle before any major increase in space is required.

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# **WORKSHEET #19** **DEVELOPMENT DEPARTMENT STATEMENTS**

List all authorized development projects, the projected date of completion, estimated product development costs, associated market development budget, estimated sales needed to recover project investment, and expected date this will be achieved. For each project, attach a one-page description showing the relevance to the corporate plans.

Project #/ Description	Completion date	Product development budget	Market development budget	\$ sales to break-even	Break-even date

Describe the relationship of all projects and any interdependence. Is there a critical path of completion dates necessary to achieve goals and meet budgets?

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**WORKSHEET #20**  
**DRAFTING AN INVESTMENT STRUCTURE**

Our current outstanding common shares number \_\_\_\_\_  
and major shareholdings include \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Previous shares have been allocated at the following price on the described dates \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The net book value per share, based on our latest balance sheet equals \_\_\_\_\_/share.  
We feel that we can justify a goodwill factor of \_\_\_\_\_/share based on \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

We propose to issue equity/debt financing instruments on the following terms: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Assuming full equity dilution, we expect our earnings per share in each of the next five years  
to equal \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

On the basis of this offering we are expecting to seek total net funding of \_\_\_\_\_  
while diluting current shareholder equity by \_\_\_\_\_%.



**WORKSHEET #21  
DESCRIBING THE TEAM**

List the names, positions, and major attributes of key operations people *fully committed* to the project: \_\_\_\_\_

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List names, positions, attributes, and outstanding issues of key operating people *conditionally committed* to the project \_\_\_\_\_

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Identify key positions as yet unfilled: \_\_\_\_\_

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Describe the board of directors and/or advisory board and what they bring to the company:

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Do you have well-documented resumes for all key personnel? \_\_\_\_\_

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What voids exist in your group experience base relative to the task ahead? Can they be filled by external specialists? \_\_\_\_\_

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**WORKSHEET #22  
TEAM INCENTIVES**

Our philosophy of profit sharing and equity options can be described as follows:

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The following key people do/will participate in this program \_\_\_\_\_

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Currently, the company has employment contracts with \_\_\_\_\_

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All employees who join our company receive an introductory package which includes

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Our main priority at this time to develop our employee incentives is \_\_\_\_\_

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**WORKSHEET #23**  
**THE EXECUTIVE SUMMARY**

Have we clearly introduced our company and its business? \_\_\_\_\_

Have we stated both short- and long-term objectives? \_\_\_\_\_

Do we have a mission statement? \_\_\_\_\_

Who is this summary aimed at? \_\_\_\_\_

To which of the major concerns of investors are we vulnerable? \_\_\_\_\_

Have we anticipated these and addressed these concerns? \_\_\_\_\_

How have we established that our company is unique? \_\_\_\_\_

Can we clearly identify all regulatory procedures undertaken and anticipated to fill our business development needs? \_\_\_\_\_

What are our major product/service strengths? \_\_\_\_\_

What are the main marketplace attractions of this business and how are we responding?

What are our financial strengths and how will new capital help? \_\_\_\_\_

What is the long-term attraction of this company? \_\_\_\_\_

SAMPLE #1  
COVERING LETTER — EXAMPLE #1

March 1, 19—

J. Smith  
123 Any Street  
Anytown, Anywhere

Dear Sir or Madam:

Based upon a request from our mutual business acquaintance, Ms. Joanna Smith, Manager at the Bank of America, I enclose a copy of our corporate business plan and support material.

Ms. Smith has been a valued supporter of our efforts over the past three years while we have banked at her branch and has agreed to act as a reference to our corporate character.

We are currently seeking a lead investor who can consolidate the required funding for our planned plant expansion and new market development program.

Based on our preliminary research, we feel that this proposal meets the general investment criteria of your company and falls within your preferred initial investment range of \$1,000,000 to \$5,000,000. We would like to explore a fiscal relationship at your earliest convenience.

The enclosed product video and promotional literature illustrate our current product line and the business plan introduces our full corporate strategy for the next two years and includes five year pro forma financial statements. We have established a proposed investment structure but are open to your suggestions.

I will be flying east next week and hope to meet with you and your associates for preliminary discussions during my visit. If I can provide any further information before Monday please call me or Mr. James Morgan at this office. Otherwise I will contact you prior to my departure to firm up an appointment.

Yours truly,



Joe Smith

SAMPLE #2  
COVERING LETTER — EXAMPLE #2

March 1, 19—

J. Smith  
123 Any Street  
Anytown, Anywhere

Dear Dr. Jones:

As I mentioned after the golf tournament last month, our company will be entering a fund-raising phase in the near future to support our exciting growth program. This is expected to be our last private placement for some time, and we plan to recruit investors known to principals of the company by offering investment units valued at \$30,000.

Details are included in the full business plan document which I have enclosed. Circulation is being restricted to a very small group at this stage on a confidential basis, and I would appreciate it if you would check with me before revealing it to parties other than your accountant as some of the information could assist our competitors if it fell into the wrong hands.

I am planning to host a small gathering of our corporate friends next Thursday evening in our board room to answer questions on the business plan and to demonstrate our next generation of product. We have one prototype model that is going to revolutionize this industry.

After that meeting I am hoping to quickly get a clear picture of the level of investment interest in the immediate community. As we grow our long-term fiscal strategy is to retain control at a local level and it is backers like you who can make that possible.

Janet Barnes, my assistant, will contact you Monday, (I'll be in California trying to close another supply agreement) to try and confirm your attendance.

Yours truly,



Joe Smith

**SAMPLE #3  
SALES AGREEMENT**



# Woodpecker

## Hardwood Floors (1987) Ltd.

Unit 109, 11511 Bridgeport Road, Richmond, B.C., Canada V6X 1T4  
Phone (604) 270-0314

Date \_\_\_\_\_ Cust. Order # \_\_\_\_\_ Contract # \_\_\_\_\_  
Sold to \_\_\_\_\_ Phone # \_\_\_\_\_  
Address \_\_\_\_\_ Postal Code \_\_\_\_\_  
Job Address \_\_\_\_\_ Phone # \_\_\_\_\_

We hereby agree to perform the following work in accordance with the specifications and subject to the terms and conditions set forth below and on the reverse hereof:

☐ Supply ☐ Install ☐ Sand & Finish ☐ Stain ☐ Other \_\_\_\_\_

Type of Floor \_\_\_\_\_

Grade \_\_\_\_\_ Size \_\_\_\_\_ Colour \_\_\_\_\_ Colour Stain \_\_\_\_\_

Type of Finish: ☐ Watco (Oil Finish) ☐ Urethane Oil Finish ☐ Gloss ☐ Matte  
☐ Water Based Finish ☐ 2 Component Lacquer Finish ☐ Silk-Matte  
☐ Glitsa Finish ☐ Other \_\_\_\_\_

THE FLOOR FINISH MUST BE JUDGED AS A SURFACE ONE WALKS UPON AND CAN NOT BE COMPARED TO FINISHES ON FURNITURE. YOU HAVE BEEN CHARGED IN ACCORDANCE WITH THIS PREMISE.

Remove, Replace or Dispose: ☐ Carpet ☐ Furnishings ☐ Appliances ☐ Mouldings ☐ Other \_\_\_\_\_

Mouldings: ☐ Supply ☐ Install ☐ Finish Type \_\_\_\_\_ L/F \_\_\_\_\_

Treads & Risers: ☐ Supply ☐ Install ☐ Finish L/F \_\_\_\_\_

☐ Cutting Doors ☐ Re-Install Doors ☐ Remove/Replace Toilet

Areas to be Done \_\_\_\_\_

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Special Instructions \_\_\_\_\_

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**SAMPLE # 3**  
**(Back)**

**TERMS & CONDITIONS**

WOODPECKER HARDWOOD FLOORS (1987) LTD. (WHF) guarantees all materials supplied under this contract to be as specified, and to meet or exceed standards of the trade: the Canadian Lumbermen's Association and the National Oak Flooring Manufacturers Association or Maple Flooring Manufacturers Association and to be free of original defects in material and workmanship for a period of one year from the date of completion of the work specified in this contract. During said one year, Woodpecker Hardwood Floors Ltd. will remedy or replace any defective part of work specified in the contract at no additional cost to customer, according to the following terms and conditions:

1. This warranty does not apply to any work or materials not provided by WHF.
2. This warranty does not apply to any damages caused by factors beyond the control of WHF, such as:
  - latent defects in sub-floors, old floors or other materials or work not supplied by WHF.
  - improper maintenance, usual or unusual wear,
  - improper moisture, temperature or ventilation (which causes swelling, buckling, cupping or shrinkage) or insect infestation.
3. WHF shall only be obligated under this warranty for defects which are discovered within one year from date of completion of the work and only if given written notice at address on the reverse hereof of such defect within 13 months of said date of completion.
4. Upon receipt of written notice, WHF shall be allowed 30 days from date of receipt for the purpose of inspecting the premises.
5. WHF shall have sole option of repairing the defect, replacing any material, correcting any work found to be defective, or refunding to customer the contract price paid.
6. The maximum limit of liability of WHF under this warranty shall be the amount actually paid by the customer to WHF under the terms and conditions of their contract.
7. There are no warranties expressed or implied with respect to the labour and materials furnished by WHF except as specifically set forth herein, and no representation or warranty made by any sales or other representative of WHF concerning fitness for a particular purpose or any other warranty expressed or implied, which is not specifically set forth herein shall be binding upon WHF.
8. WHF assumes no liability for cancellation or non-completion of job due to causes beyond the control of WHF including acts of God, labour disputes or material shortages.
9. WHF assumes no responsibility for imperfections in sub-floor and does not guarantee flooring against cupping, buckling and shrinkage as hardwood flooring expands and contracts with changes in atmospheric moisture levels.

**CUSTOMER agrees to**

1. Keep job free from any obstructions or conflicts that would tend to interfere with the performance or work of WHF.
2. Provide WHF exclusive access to areas covered by this contract during the performance of work specified in this contract, and areas to be covered are to be cleared of other workers, equipment, materials, and drapes. Carpet, furniture and appliances to be cleared by customer unless otherwise specified in this contract. Carpet includes pad and tackstrip and staples.
3. Supply WHF with adequate electric power (220 volts) to operate equipment on the job.
4. Protect flooring from damage by dampness, extreme heat or cold, or strong sunlight. Building must be closed in, heat must be turned on one week prior to delivery of flooring and maintained at 15°C (65°F) for the duration of work regardless of the season.
5. Carry adequate fire, vandalism and other necessary insurance.

**BOTH PARTIES AGREE**

1. This proposal, when signed by both parties, becomes a contract binding on both parties.
2. In the event any legal process is employed to enforce any terms of this agreement, the prevailing party shall be entitled to legal fees, court costs and interest.
3. WHF shall not be responsible for noise and dust created by floor installation equipment.
4. Flooring should be installed at least one week before sanding and finishing, and before any carpets are laid.
5. In the event work must be stopped while job is in progress due to changes by customer or unforeseen defects (such as dry rot, insect infestation, etc.), the customer will pay for additional labour time incurred. If the situation can be remedied on the job by the installer, he will do so with customer's consent and additional cost will be charged by WHF.
6. This agreement is subject to credit approval by WHF. Neither party is liable for delay or cancellation due to causes beyond their control, but any other cancellation is subject to a charge of 10% for Liquidated Damages.
7. WHF is not liable for any consequential or incidental damage, or for any loss resulting from installation of materials supplied by WHF.