

Website reference: arcapital.com/yesforarkansas

Scroll to “What You’ll Need to Know”

Click on the “+” for “What to Put in the Business Plan.”

1. Business Plan Format, Cover Page, Table of Contents (10 points)

Teams need to make sure they follow the directions on the website. They need to embrace the importance of taking pride in their plans by ensuring there are no grammatical errors, misspellings, formatting issues and other mistakes that could leave a negative first impression with the judges. Consider asking an English teacher or other person not involved with the team to review the plan for mistakes and flow before it is submitted.

For the remainder of this guide, suggestions and examples noted are based on the “Cone Cookie Company” (CCC) business plan from the 2013 competition. The CCC team won first place in both the “Best Marketing Piece” and “Most Innovative” categories for that year and is one of the teams featured in the [Y.E.S. for Arkansas promotional video](#).

2. Problem (10 points)

Describe the problem in the marketplace. How did the team identify the problem?

In addition to explaining the problem, teams need to also tell how they collaborated to come up with the problem. For the CCC, the problem identified was the dripping mess created by melting ice cream as people ate ice cream cones. This was a result of a brainstorming session, where a student told of an idea he had during a recent vacation. While eating an ice cream cone that had a paper protector around the cone, he wondered why the protector couldn't be edible.

3. Solution (10 points)

Give the name of the product or service here and how it will solve the problem. Be specific. How did the team arrive at this solution?

The CCC team decided to create the “Cone Cookie,” a cookie baked with a hole in the middle. To cut the hole, a sanitized two-liter bottle cap was used, allowing the baked cookie to slide up the cone and

absorb any melting or drips from the ice cream. The team also tried baking different kinds of cookies to see which type would hold up best and be the most absorbent. They decided upon a sugar cookie.

4. Customers (10 points)

Describe who would buy the product or service. Why?

CCC initially stated its customers would be "people who don't want their ice cream in a big sticky mess on their hands." But, for better target marketing, the team realized it had to be more specific. They decided their first customers instead would be local brick-and-mortar or food truck businesses that sold ice cream cones, thereby reaching those targeted customers. If the team's business idea is for a specific customer, include demographics, such as age, gender, and income.

5. Innovation (10 points)

What is innovative about your product or service? Is it new to the marketplace? Explain. If it is not new to the marketplace, explain how it is better than what exists.

The team conducted a patent search at patft.uspto.gov for "edible ice cream cone protector," and could not find a product. They also researched other sites on the Internet where the only protectors they found were plastic (that had to be washed thoroughly after every use), or the paper protectors. So, the answer here was that the cookie was unique and new to the market because it was edible.

6. Product Details (10 points)

How will the product or service be produced or established? What supplies and/or equipment will be needed? Will workers need to be hired? Explain.

Self-explanatory. As the team thinks through this process, they should also be able to identify the expenses they will need to put into the Income Statement (#9).

7. How will you market to your customers? (10 points)

What is the cost to the customer of the product or service, and how did the team arrive at that decision? Where can they buy the product or service? How will the team promote the product or service?

During baking experiments, the team decided their cost per cookie would be 5 cents. To recover their costs and make a profit, they decided the cookies should sell for 50 cents each. They planned to contact their local ice cream business to be their first place for sales. The team then developed a brochure with pictures of team members using the cookie with the ice cream cone and a brief history of the company and the product. There would also be space for the logo and contact information for the local business where their cookies would be sold. To introduce the product, the team also decided to offer the cookies

for free to customers who bought a single-scoop ice cream cone from the business over their first weekend of sales. **Note:** In the years since the CCC team competed, the use of social media for business has grown exponentially. Consider including social media and the internet as marketing tools.

8. Statement of Funds Needed (10 points)

How much money is needed to start the business? What are the sources?

Simply state the amount needed to start the business, for example, "Our team will need \$_____ in funding to start our company." The team may want to first work on the income statement to help them arrive at the answer. The team then needs to explain where they will get the funding. Is it their own money? Will they need investments or loans from elsewhere, such as from family members, friends, banks, or other sources?

9. Income Statement (10 points)

Project revenue and expenses for one month.

Income Statements show a business's revenue, expense, and profit over a period of time, usually one year. For the purposes of the Y.E.S. competition, teams need to project income, expenses, and calculate the profit for one month. An Income Statement worksheet is available for download on the website if teams need a tool to help calculate the numbers.

For "Sales of Product or Services," listed as a line item under "Projected Revenue," multiply the cost of the product (stated in #7) by the projected number of products or services to be sold. The CCC team estimated sales of 480 cookies at 50 cents each for a total of \$240 in revenue for one month. The second line item, (Other), is provided only for convenience in case the team identifies another potential source of revenue. Do not include personal investments or loans as revenue.

For "Projected Expenses," there are several line items listed only as examples. Not all need to be used. "Supplies" and "Worker Pay" are those expenses associated only with the making of the product or service. Teams need to be sure to include expenses for any other operations discussed in the plan. A common mistake in previous Y.E.S. competitions relates to marketing. Teams say they will produce brochures or posters, but forget to list the expenses (paper, etc.) in the Income Statement.

To calculate the Total Profit, subtract the Total Expenses from the Total Revenue. ###