



## Online business guide



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- [How to use PlanMagic™ Business](#)
- [The introduction](#)
- [Marketing](#)
- [Historic analysis](#)
- [Financing](#)
- [The organizational structure](#)
- [Forecasts](#)
- [General tips](#)
- [PlanMagic™ Planning](#)
- [Reviews](#)

[REGISTRATION](#)

[CONTACT INFO](#)

[PRODUCT INFO](#)

**PlanMagic™ Corporation**

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## How to use PlanMagic™ Business



Many people think that the main reason to develop a business plan is to convince potential lenders or investors to provide financial backing. This view is a little short sighted. A well developed plan can serve as one of your most important management tools. A good plan will provide a blueprint and step-by-step instructions on how to translate your idea into a profitably marketed product or service. So put in all the effort necessary to make your business plan a key to success.

### A business plan can be:

- A reality check when you first examine the feasibility of your business idea, which forces you to consider all factors relevant to your business.
- Your business's resume, which will be vital in dealing with lenders and outside investors, and an important tool in negotiating with vendors and attracting employees.
- A timetable for operations, helping you to coordinate all the diverse activities that go into running your own business.
- A modelling tool that helps you evaluate the variable factors that affect your business, so you can better prepare to deal with situations that may arise as conditions change.
- A vehicle for tracking the progress of your business.
- A blueprint against which you can adjust operations in order to achieve your goals.
- A starting point for future planning.

## How to use PlanMagic™ Business



### Start every file with changing the company name

#### **CTRL-H**

with this command in Word\* you replace ABC (fictitious name) with your company name throughout the file.



### Follow the online manual and the model step by step !

From the plan the **Online manual** is started by pressing **ALT-F1** or pushing the **PLANMAGIC BUSINESS GUIDE** button on the toolbar or by selecting Runhelp from the Tools menu.

Use the **ALT-TAB** key combination to switch between online manual , the plan document, the calculator and other running applications.

#### **In Windows 95\*:**

When pressing ALT-TAB and holding the ALT key a window appears. You select by hitting the TAB key until the selector box is on the selection you want.

Then release the ALT key.

#### **In Windows 3.x\*:**

Use the ALT-TAB combination in the same manner to switch between applications.

The loaded options appear in text however. Keep hitting TAB until your selection appears, then release the ALT key.

### Place annotations:

When you want to place a temporary note in the online manual just select ANNOTATE from the EDIT

menu and type your note. A paperclip symbol will appear in the heading. When you click on the paperclip your note will appear. It is a handy feature to place a note where you need to be reminded.



**Print out the complete model plan before commencing to modify!!**

**The model plan is divided into several files. This has the following advantages:**

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- it increases the performance (esp. on slower systems)
- every module can be used separately

01) PlanMagic General template	page 1-20
02) Profit & Loss historic	page 21
03) Balance sheet	page 22
04) Statistical data	page 23-24
05) Investment budget	page 25-28
06) Organizational structure	page 29-30
07) Sales forecast	page 31
08) Cashflow forecast	page 32
09) Profit & Loss forecast	page 33
10) Time table	page 34
11) Graphic charts P&L + Cashflow	page 35,36
12) Graphic charts Sales	page 37-38
13) Graphic charts Balance sheet Specific data	page 39

- for a complete plan use in this sequence!



**Starters:** go to [Starting up script](#). We have listed which pages or information may be unnecessary. You may also like to read [Owning a business](#), its benefits and its main disadvantages.

### **CTRL-ESC**

**The files are numbered in the order which should be used to complete a full plan.** Once you have loaded one of the numbered files into Word\* you can switch between them by simply pressing **CTRL-ESC** simultaneously, and choosing the file you want in the group menu. The file is loaded into Word\* without having to leave Word\*.



### **The index page**

Read through the index as to get a good idea of the contents of the model plan.

**Do not alter the index page until your plan is completed!**

The index needs to be changed upon completion. Print out on your own stationery for the best result. Put the printed plan into a nice cover with a transparent front using a slide or use any binder you choose.



### **Memorize these symbols:**

..... dotted line: text to fill in or delete as wanted.

\_\_\_\_\_ underline: certain words, numbers or text to be inserted.  
[ \_\_\_\_\_ ] brackets: optional text. Keep, change or delete.  
italic/italic choose one of the options.  
comments delete once read

### **Automatic update**

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In the PlanMagic™ file **bizplan.doc** the product lines are automatically inserted wherever needed. This slows down the loading considerably. To increase the performance once you have entered the product lines change the UPDATE mode from AUTOMATIC to MANUAL. Go to LINKS in the Edit menu, select a few links (all of them takes forever) and change to MANUAL. Do this for all the links.

If you experience any problems see **Technical user information.**

### **NEXT SUBJECT**

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PlanMagic™ is a trademark of PlanMagic™ Corporation.

## Introduction and executive summary

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Physically putting a business plan together requires you to translate your thoughts about how you're going to run your business (and how it will perform) into a format that is dictated, in large part, by the business you're in and the expectations of your audience. While most business plans share a similar structure and contain similar information about a business, your business plan will be distinguished by those characteristics that are unique to your business.

**The following items need to be examined before you can start to write your plan:**

- **Audience:**

Whom are you writing it for? If you are writing for third parties outside your business, their needs and expectations will govern the type of information and level of detail in your plan.



**Read: Audiences of your plan**

- **Planning horizon:**

How far out into the future will your plan extend? Normally this is three or five years.

- **Type of business:**

Your business's classification as a service provider, product producer or seller, or mixed provider of products and services will have a large impact on the type of information needed in your plan.

- **Sources of information:**

What information is available to you in creating a business plan? How can you reduce the time and effort required to analyze your idea?

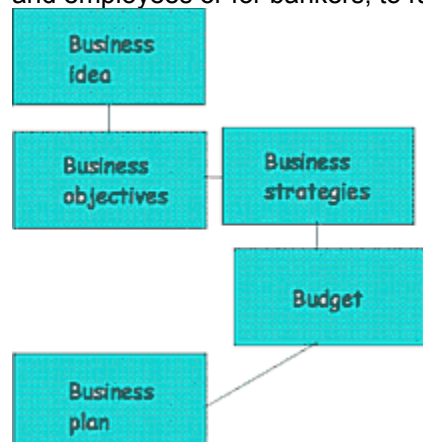
- **Reasonable assumptions:**

How can you set yourself up for success by taking a realistic look at internal and external conditions of your business, so as to make reasonable predictions about the future?

### Beginning with the first page

**On this page you start by entering the company data.**

The page gives a first impression of the company and its general goals. The management of the company defines the business idea of the enterprise and its strategies, with objectives and plans for implementation. These are then put together into a business plan, for information for the shareholders and employees or for bankers, to raise capital for implementation of the plan.



## Company information

1. **The description:** retailer of ....., distributor of .....

2. **The business form:** Ltd., Inc, Corp., self employed, co-operative, franchise

Information on these different company forms can be obtained from many agencies, **banks** and government institutions. Many helpful guides can be consulted.

3. **Owner(s), name(s) of the shareholders, director(s) and secretary.**

<i>Shareholders/Partners</i>	<i>Paid-up value of shares held</i>	<i>% of total</i>
_____	_____	_____
_____	_____	_____

4. **Daily management:** i.e. the director(s) or the general manager.

5. **The business goals:**

- to become a multinational
- to supply regional services
- to expand the business from \_\_\_\_\_ to \_\_\_\_\_ in \_\_\_ years
- to have a high profile business within \_\_\_ years

6. **The philosophy of the company:**

- with enthusiasm servicing the customers
- by applying skill and high motivation create a high level of satisfaction with the customers
- combine experience with a sound reputation
- distinguish ourselves by the using the most advanced equipment available at this moment

You may also describe business philosophy as **business mission**, business definition or business identity.

7. **The location of the company**, address and strategic place, if wanted with mention of the positive points and why this location was chosen.

8. **The geographical markets:** USA, Europe, worldwide (with AOL/Internet).

9. **The vision of the future of the company:**

- we have confidence in the future because of correct management today
- all cost not necessary for the sound progress of the company
- surviving in the unstable \_\_\_\_\_ market demands a great capacity of adaptability of the company
- careful planning ensures the future to be \_\_\_\_\_
- the financial structure of the company guarantees \_\_\_\_\_



**How the proprietor/owner sees the future and how this is given shape is of extreme importance to external financiers. Create a clear description of the future as envisioned by your company. If the targeted markets are difficult make sure your company can compete with confidence.**

## Executive summary

This part of the plan will be read mostly, so do make sure you complete the paragraphs as eloquently as possible. You may expand on the subjects provided in the template if so desired. You may include some figures from the projections or from your balance sheet. Whatever you feel is of the greatest importance and should not be overlooked by a potential investor or bank relation.

**NEXT SUBJECT**

# Marketing

This important section is divided into:

---

<input type="checkbox"/>	<b>The product mix</b>	what products are you selling
<input type="checkbox"/>	<b>Analysis current product mix</b>	how have the products done so far
<input type="checkbox"/>	<b>Competitive research</b>	what are your competitors doing
<input type="checkbox"/>	<b>Market analysis</b>	what is the market situation
<input type="checkbox"/>	<b>Marketing goals</b>	what are your goals
<input type="checkbox"/>	<b>Marketing strategies</b>	how are you to reach the goals
<input type="checkbox"/>	<b>Advertising and promotion</b>	what and how are you to advertise
<input type="checkbox"/>	<b>Pricing and costing</b>	what pricing strategies will you apply
<input type="checkbox"/>	<b>Sales management</b>	what does your sales staff do
<input type="checkbox"/>	<b>Distribution &amp; service</b>	how is your delivery and after sales support

---



## Historic analysis

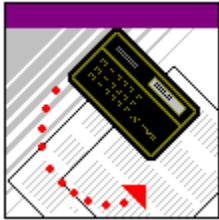


- 
- General view**
  - The market position**
  - Strength/Weakness analysis**
  - Profit and Loss account**
  - Balance sheet**
  - Ratios**
- 



*Open the calculator*

# Financing



- Capital
- Net working capital
- Proprietary capital
- Foreign capital
- Return on investment
- Loan capacity
- Investment budget



*Open the calculator*

# Organization



- 
- Management
  - Key staff
  - Personnel analysis and expenditures
  - Administrative organization
  -

# Forecasts



**Sales forecast**

**Cashflow forecast**

**Profit and loss forecast**

**The time table**

**The final word**



*Open the calculator*

## Tips



**General**

**Choose company form**

**Choose bank**

**Choose location**

**Choose accountant/auditor**

**Technical user information**

**Increase performance**

**Use another spreadsheet**

**Use another word processor**



## Product mix



This page starts with a description of the product mix of the company. The product mix is the marketing instrument that chooses, ranks and evaluates all products.

*For example:*

- the product mix is almost identical to that of .....
- there is one product, that substantiates ABC .....
- the technical ability at ABC creates confidence in the service to be expected

### Selection of product mix

**Not available in the unregistered version!**

**You must now fill in your company's product lines. Divide the products into groups and rank each group. Describe each product accurately.**

*For example:*

#### **product line 1. Computer systems**

- networking systems
- stand-alone systems
- printers

#### **product line 2. Accessories**

- bags
- belts



Try to describe a Unique Selling Proposition for each strategically important product or product line. **What is so special about your product?**



**Read: Product differentiation**



**Read: Product positioning**

### **Automatic update**

The first time you add the names of the product lines of product line 1 to 3 to the product mix page, throughout the model plan the related entries will be automatically updated where appropriate. This saves you time and effort to repeat this procedure many times.

Consequently Word\* will update the modified fields every time the Bizplan.doc file is loaded. This is not needed since this only needs to be done until the product mix page has been completed. See **Increase performance** on how to change the update setting in the file under the field update sub heading.

## Analysis current product mix



On the next few pages you can easily analyse your current or beginning product mix. Information is gathered in the first table on page 4 concerning the actual and planned sales, the development, the gross profit (actual and planned) and the development thereof. From this table you can draw conclusions most important for your business.

You then divide the products into categories depending upon the growth of the market and your market share. **This information is useful to determine which products need to be stimulated, renewed, developed or eliminated from the product mix. It makes it possible to determine a general product strategy per product category.**

On page 7 you fill the table The turnover per customer group with the required information. Fill in for each product the turnover realized in the previous year. Per product line you fill in the percentage of the total turnover. The calculation is:

$$\text{Turnover product A / total turnover} \times 100\% = \underline{\quad\quad} \%$$

Complete the information by drawing your conclusions in the following paragraph.

### Customer appreciation of the current product mix

Gather the information required in the table on page 7 and complete the table. It is important to know how your product(s) and service(s) score(s) with your customers. Again you draw your conclusions as to decide what action should be considered. *More information on this subject can be found in [PlanMagic™ Analysis](#).*



### Read: Product differentiation

### Current supplier situation per product

On page 8 you will find the information about your suppliers. This information will be needed to assess each supplier and to determine what you need to look for. Try to know your suppliers before you start your business. This will save you lots of time and energy when the business is running.

Not being able to supply your customers because your supplier is not able means losing valuable business. Also have alternate suppliers ready if and when needed. For your strategically critical products you must have alternate suppliers.

## Competitive research



This subject alone (as all other subjects) can fill a book. What has been pre-filled in the model is sufficient to show that your company has information about its main competitors.

### **Ask for competitive offers and price lists of the ten most important competitors.**

Make a list. Give a description of for example the habits in the branch.

- 1) Make a checklist of the desired data per competitor.
- 2) Rank the important competitors.
- 3) Define each major competitor's strengths and weaknesses.
- 4) Then compare them with your company's strong and weak points per product line.

Complete the table. Add as many points as you need. For example:  
price, merchandising, packaging, brochures, etc.



Inform regularly at the Chamber of Commerce and other regional or governmental agencies to obtain data on the market.

See the file [address.doc](#) for useful addresses in the UK. Be informed.



*More information on this subject can be found in PlanMagic™ Analysis and at the PlanMagic™ web site on Internet:*

**<http://www.planmagic.com>**

Many companies make the mistake to think they will sell automatically if they are present and advertize a little. This is not a correct approach of a market and will not result in a satisfactory business result.



**Knowledge of the competitors and the market is indispensable.**



# Market analysis



In the analysis of the market an historic and future picture must be made clear.  
**The following questions have to be answered:**

**Not available in the unregistered version!**

Researching your market to know more about your customers and your competitors is a critical step for every business. If IBM puts out a product that doesn't sell, they move on to the next idea. If you put out a product that doesn't sell, you're out of business!

Do the analysis after all the necessary information has been gathered.  
The most important tools to scout the market are in the model. Just add to them if necessary. Complete the paragraph by filling in the empty underlined spaces \_\_\_\_\_. An objective view of the market is indispensable for every company, large or small.



**You may delete any paragraph or section you do not wish to include in your business plan.**

## The total market

Indicate how the market develops. Are there many competitors and are there more entering your markets? Does the consumer spend more or less on these products? Which segments of the total market are the most important for your business? How does the pricing level develop regarding the product lines?

## The market participants

Describe the consumers, their buying behaviour and their needs. Also describe how the distribution normally functions in the market. Which suppliers are there in the market and how do they behave.



*More information on this subject can be found in PlanMagic™ Analysis and at the PlanMagic™ web site on Internet:*

**<http://www.planmagic.com>**

# Marketing goals



In this chapter the goals of the company in general and per product line are determined. As you can see the most common goals are already filled in. Read them and make adjustments as needed.

## Goals of the company

f.e. 7% growth per year

become a brand name  
acquire a solid reputation  
realize 25% return on investment  
operate internationally

## Goals of the marketing

f.e. margin product A +5%

launch product A  
product/market optimization  
work xx and yy market  
realize growth of 20% in sales

## Goals of the sales department

f.e. product A \$ 90,000 sales

increase the range  
higher salesmen incentives  
agressive sales tactics  
generate 20% more sales

## Goals of the salesperson

f.e. more contact with key accounts

show skills  
acquire a reputation  
professionally work the market(s)  
score on 25% of the contacts

As you can see on all levels of the company there are goals. These must be tuned as to realize the goals at a higher level. For instance the goals of the marketing must contribute to those of the company, in this case 7% growth per year.



Read: About your market approach

# Marketing strategies



The marketing strategies are used to reach the goals as defined in the **marketing goals** chapter.

**First formulate the general strategies.**

You compare the mentioned strategies with your ideas.  
Change whatever is necessary. Do this for each product line or product group.

In general the strategies per product line will be to:

**Not available in the unregistered version!**

*More information on this subject can be found in [PlanMagic™ Marketing](#)*

## **Personnel and the marketing concept**

This paragraph shows that the marketing strategies are known to all employees and are executed properly at every level. Who is responsible? All employees must be aware of the marketing strategies that apply directly to their position within the company.

# Advertising and promotion

**ORDER NOW!**

Let us complete the historic advertising and promotion activities.

1. Change the 'three' if the company doesn't exist for three years.
2. Fill in: decrease or increase  
If desired with adjective such as strong, steady, etc. .
3. Total expenditures / year turnover x 100% = \_\_\_\_%
4. In the shaded area add:
  - the last digit of the year
  - the actual year turnover
  - the percentage of the advertising (of turnover)
  - the total amount for advertising and promotion
5. Reserve between 5% and 20% of the turnover for the next two years or reserve a percentage of the net profit.
6. Fill in: international/national/regional
7. Fill in: same description for \_\_\_\_\_ recognition

If you already know what trade shows and/or exchanges and/or fairs your company will participate in add this information and mention the total amount to be spent and the expected results.

## Advertising and promotion goals

Read through the example goals and change as you wish. It is important that in your company maximum profit is obtained from the promotion mix. A clear plan helps to ensure that the results are satisfactory and that the choice of media and the cost are under control. In general there are two main goals: creating the right impression and attracting new customers. The goals we have filled in are applicable for many businesses and do not really need adjustment.

### 1. Increase of initial sales or requests for a quote

Strategies:

- [one] trade show per year, .....
- direct marketing: per customer group and per product type
- [regional] advertising campaigns: [12x repeat cycle]
- homepages on Internet, Compuserve, AOL

### 2. Increase of repeat sales

Strategies:

- application of the marketing strategies
- [bi]monthly leaflets to regular customers (by e-mail)
- planned repeat visits outside sales force

### 3. Enhance the company name within each segment of the market

Strategies:

- encourage regular customers to spread your fame
- regularly inform the press
- regular uploading of demos, samples, etc.. to website, Compuserve and AOL forums.

**But everyone thinks differently and has a different business to run. So feel free to change**

**whatever you think is necessary. If you come up with even better goals please do let us know.**

### **The promotion plan**

Because the promotion plan is a part of the marketing there are many similarities in the structure.

1. determine promotional opportunities
2. determine promotion goals
3. organize the activities
4. choose the right public
5. select the message
6. select the promotion mix
7. determine the budget
8. execute the strategy
9. evaluate the results

As you can see there are clear steps to be taken in order to get a sound advertising and promotion plan. Every action named above demands the necessary work. Besides the promotion plan a specific media plan and a advertising plan should be drafted.



**For the most professional approach to running your business successfully use all the available PlanMagic™ tools.**



**PlanMagic™ Corporation**

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# Pricing and costing



## Costs

**First of all costs can be divided into the following types:**

- the cost of raw materials and by-products
- the cost of human labour
- the cost of production means
- the cost of real estate
- the cost of third party services and taxes
- the cost of interest

**We can then divide costs into two main categories: fixed or indirect (overheads) and variable (direct) costs.**

**Fixed costs** will include your personal expenses, salaries/wages, rent, heating, lighting, mortgage and so on. **They tend to remain the same regardless of sales.**

**Variable or direct costs** will vary (increase or decrease) according to your levels of production and/or sales. Costs such as raw materials, production, transport, packaging, postage, advertising are all variable costs.

### Direct material costs

**Not available in the unregistered version!**

### Direct labour costs

**Not available in the unregistered version!**

### Indirect costs and overheads

These costs are divided into:

**Not available in the unregistered version!**

**The following calculations are needed to determine the costing price of your products.**

**Costing price = purchasing price + purchasing cost + production cost + sales cost**

**This costing price forms the basis for the calculation of the selling price.**

**Selling price = costing price + gross profit margin**

**There are two methods of costing price calculation:**

1. divide the total costs over the entire product line (homogeneous).
2. calculate the direct costs per product and determine the costing price per product (heterogeneous).

In the shaded area the average mark-up percentage is shown.  
This can also be done per product line or even per product.

The calculation is as follows:

$$\text{Mark-up percentage} = (\text{gross profit margin} / (\text{purchasing} / 100)) \times 1\% = \underline{\quad\quad}\%$$

Profit margins can differ enormously depending upon many factors. Make sure you know what the competitors are doing and what the tendency is in your target markets.

### **Pricing targets and strategies**

In this paragraph you will determine per product line or product (as you wish) the pricing targets and the strategies you will use to reach these targets.

In the model plan several **examples** are given. Change as you wish.

### **Pricing analysis of the current product mix**

Complete the table with the information requested. You can choose to do this per product line or per product. If you do this per product line calculate the averages.

### **Additional information:**

#### **Prime costing**

**Not available in the unregistered version!**

The total of these is the sales price.

The profit mark-up must take into account the market conditions. Thus, once the prime cost is obtained, compare it with the possible market price and determine the profit mark-up which you think the product can absorb.

#### **Marginal costing**

**Not available in the unregistered version!**

Again, the total is equal to the sales price, although normally it is the starting point for marginal costing, as opposed to prime costing, where the objective is to determine the sales price.

# Sales management



This page probably just needs a few minor adjustments. As usual in PlanMagic™ you can make any changes you wish. You could add that your company applies a certain sales strategy. The shaded text shows you know how to adequately perform the sales function.

## Keeping customer records

We recommend the following records:

- intake form or new customer sheet
- customer summary sheet

## Keeping salesperson records

- salesperson assignment sheet
- salesperson summary sheet
- record sheet all salespersons

## The sales talk

**Not available in the unregistered version!**



## Distribution and service



**The distribution channel is the marketing mechanism used to present, deliver and maintain the product.**

Adjust or add whatever is necessary or wanted.

Make sure you understand the difference between the distribution of a distributor, a store or a service providing company. The promotion is also quite different. For a wholesaler personal selling is the most important force. Eighty even ninety percent of the promotion budget must go to the personal selling. With the other types of business more variations are possible.

### The delivery

This is the most important part of every company.

Without actually supplying the product nothing gets sold and consequently no payment is received. Make sure your delivery is always as quick as possible and done with the greatest care.

### The cost

Read this carefully and check during the year the stability/increase/decrease of the distribution costs. Keep them as low as possible without exaggeration.

### The service

Complement the pre-filled information if necessary.

Do not forget the importance to your company and to your customers of optimal service and support. Not only in regard to the customer but also in regard to the possible earnings for you.



**Too much service is (almost) as awful as too little. Go for the best service/cost ratio.**

Remember that service can be wellpaid and therefore very profitable.

**NEXT SUBJECT**

## General view



On this page of your business plan you will find one boxed area and one table. In the boxed area you can comment on some of the most significant factors of being successful with your business. **Just describe each category as short as possible, mentioning its strong points (or weakness if applicable).**

## Market position



The table shows per productline what the current market position is and what the planned position will be. Three factors are of importance: the sales of the company, the branch in which the company operates, the marketshare in the region (or nationally or internationally) and the profit potential. Fill the product lines as on page 3 and choose for each box one or more of the following descriptions.

### Under current position:

- above average, average, below average, reasonable or bad
- average or for market average
- up and down or stable, reasonably well, well or excellent

### Under projection:

- the same descriptions apply as above
- regarding growth: little, reasonable, average or high growth



**To find information:** go to the PlanMagic™ User Lounge, go to libraries, Chambers of Commerce, Business Agencies, collect brochures and pricelists of competitors. Surf the Internet World Wide Web, go to shops and warehouses to see the products, the prices and the way the products are being displayed.

## Strength/weakness analysis



This page has been prepared to be easily completed (as is everything in PlanMagic™ Business). The examples clearly indicate what to consider when completing the strength/weakness analysis. [This analysis is extremely useful to observe where the company \(urgently\) needs improving.](#)



### **Be honest about the strengths, but even more so about the weaknesses.**

They must be analysed and dealt with. It is completely acceptable to have some weaknesses. Not acknowledging them can bring down even the largest company mainly because these weaknesses can become fatal. Don't let this happen to you.

You may also change the model with a table form instead. Two columns, one for the strengths per productline and one column for the weaknesses per product line. For example:

<b>Strengths</b>	<b>Weaknesses</b>	<b>Actions</b>
<a href="#">product line 1</a>		
<a href="#">product line 2</a>		
<a href="#">product line 3</a>		

Or you can add also a table under the Strengths and Weaknesses and name the two columns Possibilities and Actions.

# Profit and loss account



This either gives a review of the company results over the past three years (page 21) or a forecast of the next three years (page 35).

Fill in with the rounded figures which you take from your several profit and loss accounts. Completing the forecast you will have to make this up from the figures of your sales forecasts and your monthly cashflow forecasts.

Using a spreadsheet to perform the necessary calculations automatically is by far the easiest and quickest method. That is why you have encountered two sets of tables in the model plan.



## CHARTS

The charts/graphs have automatically been updated (on some systems you may have to select UPDATE NOW in the EDIT menu, select Links. They're placed in the graphic presentations file GRAPHS1.DOC, but you may copy them to any location by selecting it, cutting or copying and pasting it at the selected location.

### Users of Microsoft Excel\*:

One table will automatically load Microsoft Excel\* and the correct spreadsheet. In this case simply fill the figures into the appropriate cells and save the spreadsheet. Then return to Microsoft Word\* to view your completed table. Delete the second table.



The break-even point figures are automatically inserted into the statdata.doc file (the statistical data pages).

### For those unfortunates who do not have Microsoft Excel\*:

- 1) Purchase the Microsoft Office\* package or Microsoft Excel\*
- 2) Or go to Use another spreadsheet to read how to use another spreadsheet program.
- 3) Or delete the Excel\* table and manually complete the table. Sorry, you will have to do the calculations manually. Examine the following information carefully before attempting to do so.

sales	\$10,000	this is 100% (of the turnover)		
purchasing cost	" 6,000	60%	"	"
	-----			
gross profit	\$ 4,000	40%		
costs A \$ 500		5%		
costs B " 2,500		25%		
	-----+			
	" 3,000	30%		
	-----			
net profit	\$ 1,000	10%		

The percentages are calculated as follows

**purchasing costs / turnover x 100% = 60% or cost A / turnover x 100% = 5%**

Double check the calculated percentages with:

purchasing costs 60% + total costs 30% + net profit 10% = 100%.

**This must be 100%.**

**The profit and loss account gives a good picture of the financial situation and the level of progress or deterioration of the company and is therefore an indispensable part of the business plan and to your business.**

Obviously banks and other financing organizations will need to see your profit and loss accounts before deciding on a proposal. If the results are fair leaning toward awful chances of any credit are nihil.

Even if you have made your plan using PlanMagic™ Business and it looks awesome, bad accounts will not change the decision of the bank.



***Get a profit and loss account made up every month.***

In order to assess your company's health using the profit and loss account you can perform several comparisons.



**Read: Comparisons of profit and loss**



**Banks are sensitive to assurances, that can provide security regardless of the company accounts. Property, valuable goods, invested sums or even signed orders can be useful to get help from the bank to finance.**

## **Cashflow**

---

This is determined to know how much funds are available from the exploitation of the business and could be used for payments. This figure differs from that of the net profit. The total of depreciations are costs, but are not direct expenditures. The amount of the depreciations becomes available in the cashflow.

### **Example self-employed**

Profit of company	\$ 100,000
Minus: private drawings	40,000
	-----
Addition to proprietary capital	\$ 60,000
Plus: depreciation	20,000
	-----
Cashflow	+ \$ 80,000

### **Example corporate entities (Ltd., Corp.)**

Profit	\$ 100,000
Minus: corporate tax	42,000
Minus: paid-up dividends	10,000
	-----
	\$ 48,000
	20,000
	-----
	+ \$ 68,000

\* Windows, Word, Office and Excel are all registered trademarks of Microsoft Corp.

## Balance sheet



On page 23 of the model you provide a balance sheet of the last year in comparison to the year before that. A **balance sheet** shows how the financial means are being used (the assets) and how they are financed (capital and liabilities).

### Assets

#### Fixed assets

This is the total of the fixed assets such as property, equipment, reservations, investments, vehicles, etc.. These are not easily exchanged for cash.

#### Current assets

This is the total of the cash, the bank, stock at hand and debtors.  
These are assets easily turned into cash.

Different terms can be used. This depends upon the accounting terms preferred by you or your accountant. The above used terms are however the most commonly used and therefore used in PlanMagic™ Business.

### Capital and liabilities

#### Proprietary capital

This is the capital provided by the shareholders of the company.  
Profit is added to the proprietary capital and losses are subtracted.

#### Short term liabilities

This is the total of short term debts.

#### Long term liabilities

This is the total of long term debts such as mortgages and other loans or leases.

#### Current liabilities

This is the total of short term debts such as bank overdrafts, tax payable and creditors.

### All this information can be found in last year's accounts.

This is either done by you or your auditor.



**The balances sheet figures are automatically inserted into the balance.xls spreadsheet, several ratios are calculated and then inserted into the statdata.doc file (the statistical data pages). The chart is calculated and inserted into the graphs3.doc file.**

It is recommended that you are able to draft a balance sheet whenever the financial status is required. This should be done every month. Calculate the ratios and determine if they are satisfactory or if action has to be taken.



**Banks are sensitive to securities, regardless of the accounts of the company. The profit and loss account and the balance sheet are indispensable instruments to measure the progress of the company. At the end of each accounting year both are necessary for filing the annual accounts and for calculating your tax return.**

# Ratios



**A ratio is nothing more than the relationship between two numbers.**

Let us do a little with figures. Do not worry, we go through them as easily as the rest of your plan. In PlanMagic™ Business the most important ratios have been selected. All you have to do is to calculate the ratio using the examples and your figures and fill in the resulting number.

We give an example calculation of the mark-up where the gross profit margin is 60% and the percentage of purchase 40%.

$$\text{(gross profit margin / (purchase/100))} \times 1\% = (60 / (40/100)) \times 1\% = (60 / 0,4) \times 1\% = 150\%$$

**The selected ratios are indispensable to form a clear financial insight in the position of the company. It shows the financial health and the potential of the company. See also the ratios in the chapter loan capacity.**

**The liquidity**

**The solvency**

**Break even point**

**Improve results**

**Other ratios**



**Some figures are automatically calculated from the spreadsheet and inserted into the statdata.doc file (the statistical data pages).**



*[Open the calculator](#)*

**NEXT SUBJECT**



# Capital



On page 25 of the model we primarily summarize the division of capital in the previous year and in the planned year. The data of the previous year can be copied from the balance sheet on page 23.

The capital will at least consist of proprietary capital, if necessary supplemented with short term foreign capital such as bank overdraft and creditors and if further necessary with long term foreign capital.

## Proprietary capital

This is the capital provided by the shareholders of the company. Profit is added to the proprietary capital and losses are subtracted.

## Foreign capital

### Short term liabilities (short term foreign capital)

This is the total of short term debts.

### Long term liabilities (long term foreign capital)

This is the total of long term debts such as mortgages and other loans or leases.

### Current liabilities (very short term foreign capital)

This is the total of short term debts such as bank overdrafts, tax payable and creditors.



Read: Where is foreign capital?



**As you can deduce from the balance sheet the financing needs are determined by the total assets (fixed & current assets) of the company. Pay attention to the fact that financing needs can vary immensely.**

## Net working capital



This is the gross working capital minus the short term liabilities and the current liabilities or

**Gross working capital = total current assets**

**Net working capital = current assets minus current liabilities**

or **= gross working capital minus current liabilities**

or **= long term liabilities + proprietary capital minus fixed assets**

The size of the working capital influences the size of the financing needs as well as the return on investment of the invested capital. The higher the gross working capital the lower the turnover and rendability with equal sales and net profit.

**Working capital increases by:**

**Not available in the unregistered version!**

**and decreases by:**

**Not available in the unregistered version!**



**It is important to monitor the monthly size of the working capital accurately. A well positioned administration and information system is necessary.**

## Proprietary capital



This is the capital provided by the shareholders of the company. Profit is added to the proprietary capital and losses are subtracted.



**For optimal proportions the proprietary capital should be 1/3 of the total capital.**

## Foreign capital



### **Short term liabilities (short term foreign capital)**

This is the total of short term debts.

### **Long term liabilities (long term foreign capital)**

This is the total of long term debts such as mortgages and other loans or leases.

### **Current liabilities (very short term foreign capital)**

This is the total of short term debts such as bank overdrafts, tax payable and creditors.



**Read: Where is foreign capital?**

## Return on investment



**The goal of every commercial company is to have as large a return on investment as is possible.** Not only to earn lots of money, but also because the financing needs increase continuously caused by increases in price or personnel, housing, materials, stock or by expansion and depth-investments. It is of great importance to meet these financing needs. The realized return on investment must be high enough to meet the demands of the financiers.

In the model you find the three most important ratio calculations of rendability.

### The rendability of the proprietary capital

**(Net profit / proprietary capital) x 1% = \_\_\_\_%**

### The rendability of the total capital (total assets)

**(Net profit / total assets) x 1% = \_\_\_\_%**

### The rendability of the financiers capital

Financiers capital is total assets minus creditors.

**(Business result / financiers capital) x 1% = \_\_\_\_%**

Fill in the correct figures from the balance sheet.



[Open the calculator](#)

Calculate the ratios and study them well. By having continuous insight in all the ratios of balance sheets and profit and loss accounts the company can be kept on course.

Remember: The possibility to acquire loans or credit is only present if the financiers consider the company worthy of credit. If the company has too little proprietary capital this is certainly not the case.



**A company should be financed with at least 1/3 of its total assets by means of proprietary capital.**

# Loan capacity



**We know that foreign capital (the minimum loan capacity) is just as indispensable for every company as is proprietary capital.** The financing by means of loan is necessary because of strong fluctuation in the financing needs, a plethora in offers by financiers, tax savings on interest and to strengthen the financial position of the company. Public companies attract **foreign capital** by issuing shares through the stock exchange mechanism.

It is important to know the maximum loan capacity. A rule of thumb is, that a company can have a maximum of debt as can be paid up under the worst circumstances.

**The financiers determine the creditability of the company, mainly by:**

**Not available in the unregistered version!**



**Read: Where is foreign capital?**

On page 25 of the model you find the ratio calculations. These can suffice for the financier or more calculations are done. The more debts the company has the more risk is involved for the financier and the more ratio calculations are needed.

**One minimum ratio can be acceptable, but two or more ratios below the minimum indicator usually means a difficult maybe an irrevocable situation.**



**Be attentive and keep the ratios within the correct proportions.**

The below shown calculations are in combination with the ones already placed in the model a useful instrument for a sound investigation. They provide a thorough means of determining the credit worthiness of the company.



[Open the calculator](#)

**Proportions between balance sheet items: static ratios**

---

		safe   minimal
<u>Proprietary capital</u> / total assets =	_____	0.5   0.2
<u>Proprietary capital</u> / long term liabilities =	_____	0.7   0.3
<u>Proprietary capital</u> / fixed assets =	_____	1.0   0.5
<u>Current assets</u> / <u>current liabilities</u> =	_____	2.0   1.1

**Proportions between profit and loss items: dynamic ratios**

---

(Profit + interest + taxes) / interest =	_____	5.0   2.0
(Profit + interest + depreciations) / (interest + payments) =	_____	3.0   1.5

**Proportions between balance sheet and p&l items: combi stat./dyn. ratios**

---

<u>Net working capital</u> / year turnover =	_____	0.5   0.03
<u>Net debts</u> / profits =	_____	5.0   10.0
<u>Net debts</u> / <u>cashflow</u> =	_____	2.5   5.0
<u>Net current liabilities</u> / monthly turnover =	_____	0.0   2.0

## Investment budget



When you estimate how much you'll need, either build in some cushion by padding the numbers or go back and change your estimates every time something costs more than you thought. If you're a small business owner (esp. home-based) have a look at your family's fixed and variable living expenses. It's important to know the amount of personal costs that you'll have to cover during the startup phase of your business.

### Also look at the following cost aspects:

- Costs for setting up the business:  
costs associated with forming the new business, including a complete rundown of everything you need to consider before you start your business.
- Costs for running the business:  
costs associated with operating the business, including some advice on how to estimate how much you'll need to keep your business going.
- Costs associated with uneven cash flows and seasonal businesses and how to plan for them.
- Costs associated with failure; specifically, can you afford to fail?

*You may use the paragraphs or use the sheet to include an investment budget in your business plan. Both are provided.*

The budget must be completed as follows: All the different subjects have been divided as to provide you with a clear picture.

### **Not available in the unregistered version!**

On the following pages the various investments in fixed assets are totalized and the type of financing needed reported.

Consequently the same has to be done for the current assets.

All sorts of additional information can be included. Just read through the model and decide on what you need and what you can remove or what you want to add.



### **Read: Rent, buy or lease**

If you plan a considerably large investment using a decision tree is an indispensable tool to calculate the risk and to decide on the best strategy.

The tree will clearly show all options, the percentage of chance for each option and the profit expectations. The profit expectations are to be projected for things going above expectation, as expected or below expectations.

To receive a model of a decision tree contact your PlanMagic™ consultant. **In the future we will have a decision tree in the User Lounge Business section.**

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NEXT SUBJECT





# Management



**Management**



**Key staff**



**Personnel analysis and expenditures**



**Administrative organization**



**Just complete the shaded area as needed.**

This clearly shows who is responsible for what part of your business. The main areas are mentioned in the model. Such as who is or are the director(s), who is the secretary (this is necessary for a limited company form), who will run the business (if this is not one of the directors), who does the administration and who runs any other departments your company may have, such as sales, stock, etc...

[You may also insert your own flowchart or organizational chart from any program you wish!](#)

Simply make the chart in your program, go to the plan document and insert object or picture.



**Read: [The five growing stages](#)**

## Key staff



 Management



 Key staff



 Personnel analysis and expenditures



 Administrative organization



**Just complete the table in the model on page 30.**

The information needed is clearly defined in the table. Make any changes you wish.



**If you are a self employed/sole trader the bank/investor may request a complete C.V./resume. Have one readily available or even include one at the end of the plan (see Specials.doc for an example of personal expenses).**

## Personnel analysis



 Management

 Key staff



 Personnel analysis and expenditures

 Administrative organization



### Personnel analysis and expenditures 199\_

Just complete the paragraph with the necessary figures.

This paragraph simply provides a quick method of comparing your expenditures.

# Administrative organization



Management



Key staff



Personnel analysis and expenditures



Administrative organization



Complete the paragraph with the requested information.  
Also see the tip on the selection of the accountant.

## Contingency

Complete the paragraph. If you run your business by yourself make sure you can rely on someone to take your place if and when needed. If you have a partnership the other director will naturally assume the responsibilities otherwise yours.

## Information

The internal and external flow of information must be efficient in its structure.  
If this is not the case make sure you change it.

## Service and customer support

The handling of complaints is excellent. The degree of service must be good to excellent as well. Make sure your customers are satisfied with the degree of service. This way a formidable reputation is built up. By providing excellent service (not too excellent) you will receive the best and the most affordable method of advertising: **mouth-to-ear**.

A reputation of reliability and professionalism combined with the reputation of excellent service is worth its weight in gold. It saves your company lots of money on otherwise expensive advertising and promotion to acquire the same customers.



**Make sure that your existing customers have more than one reason to recommend your products and services.**

NEXT SUBJECT

## Sales forecast



Projection of sales is one of the most important parts of the business plan. We have included tables for three years. This should be the minimum, some may wish to include projections for five years. Simply copy one year in the spreadsheet and paste it at the bottom, modify the variables.

### For Microsoft Excel\* owners:

**You simply click on the table and PlanMagic™ will go to Microsoft Excel\*.** You will see the same table in worksheet format. All the formulas have been put in place. Just start adding the figures and watch the spreadsheet automatically calculate the totals.

Keep changing values of monthly sales until you are completely satisfied with the total of sales.

Save the worksheet and close Excel\*, you will be back in your plan and the table has been filled with the figures from the spreadsheet.



### CHARTS

The charts/graphs have automatically been updated (on some systems you may have to select UPDATE NOW in the EDIT menu, select Links. They're placed in the graphic presentations file GRAPHS2.DOC, but you may copy them to any location by selecting it, cutting or copying and pasting it at the selected location.

### For users without Microsoft Excel\*:

1) purchase Microsoft Office\* package with at least Excel\* and Word\*. The Standard as well as the Professional version can be used. Go to your software supplier or go to the nearest computershop now.

2) or go to [Use another spreadsheet](#) to read how to use another spreadsheet program.

3) or manually fill the table on the next page of the model.

Use a calculator and fill the table. You will have to do the calculations yourself. Sorry.

### Follow this procedure:

---

1) Add your product lines or products or use new customers in the first column. Modify as you wish.

2) Add for each month the expected amount of sales per existing or new customer (group). This will be totalled for the table.

3) Add the results of the right column (sum(jan:dec)).

4) Do all of the calculations necessary and complete the table.

5) For the cashflow forecast you can immediately divide the debtors paying cash and those buying on credit terms. Determine the expected term of payment.

6) The expected gross profit can also be calculated along with the percentage of total sales of each product and product line.

By modifying the sales figures several times a realistic projection (forecast) is formed. Here lies the enormous advantage of using a spreadsheet program. Any modification in let's say Cell (b3) will necessitate a modification in for example the cells (d3), (b6), (b10), (d6), (d10), (a12) and also in (a13) and (a14).

**For those unfortunates whose choice is the manual method:**

If despite our online manual you get stuck you can do three things:

1) call your **PlanMagic™ consultant** or **Customer support** and get all the help you need.

2) purchase the Microsoft Office\* package, either version or another spreadsheet program.



**Read: How to estimate the sales**

\*All these mentioned products are registered trademarks of Microsoft Corp.

PlanMagic™ is a trademark of PlanMagic™ Corporation.

# Cashflow forecast



The primary purpose of using a cash flow budget is to predict your business's ability to take in more cash than it pays out. This will give you some indication of your business's ability to create the resources necessary for expansion, or its ability to support you, the business owner. The cash flow budget can also predict your business's cash flow gaps in periods when cash outflows exceed cash inflows when combined with your cash reserves. You can take cash flow management steps to ensure that the gaps are closed, or at least narrowed, when they are predicted early. These steps might include lowering your investment in accounts receivable or inventory, or looking to outside sources of cash, such as a short-term loan, to fill the cash flow gaps.

**Preparing a cash flow budget involves four steps:**

1. [preparing a sales forecast](#)
2. [projecting your anticipated cash inflows](#)
3. [projecting your anticipated cash outflows](#)
4. [putting the projections together to come up with your cash flow bottom line](#)

**It is extremely important that the cashflow forecast and the target figures are realistic. A too optimistic budget will create a feeling of despair about meeting the targets. A too pessimistic budget will discourage people from doing their best.**

The cashflow forecast consists of the beginning balance, the monthly income (from the sales forecasts), the monthly expenditures (fixed and variable) and the ending balance.

**All the figures must be inclusive of sales tax.**

This will be calculated and every three months you have to calculate whether you have to pay or receive sales tax. Fill this in the month after each third month. That is when you actually pay or receive the money.

**1) The beginning balance is \$0 (zero) for a starting business and the ending balance is either credit or **debit (red)**.**

Starting with \$0 (zero) will show exactly at which point the highest debit is reached and this is the amount you have to get financed (if the proprietary capital is not sufficient).

## **The cashflow flowchart**

Use the flowchart provided in PlanMagic™ Business to guide you through the cashflow forecast. Click on the icon **Cashflow flowchart** to start your browser and the CASHFLOW.HTM file.



## **CHARTS**

The charts/graphs have automatically been updated (on some systems you may have to select UPDATE NOW in the EDIT menu, select Links. They're placed in the graphic presentations file GRAPHS1.DOC, but you may copy them to any location by selecting it, cutting or copying and pasting it at the selected location. By placing them upon completion of the plan the main file does not slow down during uploading.

**For Microsoft Excel\* owners:**

You simply click on the table and PlanMagic™ will go to Microsoft Excel\*.

You will see the same table in worksheet format. All the formulas have been put in place. Just start adding the figures and watch the spreadsheet automatically calculate the totals.

**2) Add the figures from your sales forecast. You must divide them in cash customers and debtors.**

**Debtors**

- cash sales, debtors pay within 30 days, after 30 days and after 60 days.

**3) Add the figures of your purchases. Calculate them as follows:**

**Purchases**

- cash and on credit terms. Pay in 30 days, after 30 days and after 60 days..

Try to get near the reality. Analyse the previous years regarding data of debtors and purchasing history. All amounts are inclusive of sales tax.

- determine the lowest purchasing cost for example 30%
- determine the highest purchasing cost for example 45%
- calculate per month the average

or if purchasing costs are known and stable, use the known prices.

**4) Fill in all the expenditures per month.**

The other expenditures are to be estimated per month or from the yearly amount divided by 12 or bi-monthly such as the telephone bill.

Keep changing values of monthly expenditures until you are completely satisfied with the total projection of the overheads.

**5) Calculate the sales tax per three months and fill in as sales tax receipts or sales tax payments.**

The sales tax is calculated after the entire table has been completed.

Add all the sales tax receipts on sales and add the sales tax payments of your purchases and your expenditures. Subtract them and you fill in the sales tax to be paid or the sales tax to be received one month later.

Is the sales tax amount on the sales higher than the sales tax amount of the expenditures you will have to pay sales tax, otherwise you receive sales tax.

**NOTE: this will be calculated automatically in a future update.**

**6) Save the worksheet (projcash.xls) and close Excel\*, you will be back in your plan and the table has been filled with the figures from the spreadsheet.**

**For users without Microsoft Excel\*:**

- 1) purchase the newest version of Microsoft Office\* package with at least Excel\* and Word\*.
- 2) or manually fill the table on the next page of the model. Use a calculator and fill the table. You will have to do the calculations yourself. Sorry.
- 3) or go to [Use another spreadsheet](#) to read how to use another spreadsheet program.

**For those unfortunates whose choice is the manual method:**

If despite our online manual you get stuck you can do three things:

- 1) call your [PlanMagic™ consultant](#) or **Customer support** and get all the help you need.
- 2) purchase the Microsoft Office\* package, either version or another spreadsheet program.

**Comments**

---



## **Income**

The incoming cash to be filled in Januari are for example: the cash sales of January and the debtors of december on 30 days term.

The incoming cash in Februari are the cash sales of February and the debtors of January on 30 days term and if applicable the debtors of November on 60 days.

The incoming cash in March are the cash sales of March and the debtors of February on 30 days term and if applicable the debtors of December on 60 days.

Repeat this cycle up to December (or the twelfth month) and calculate the remaining debtors that are coming in next year.

sales tax receipts can be caused by large investments at once or losses in the previous three months. Sales of fixed assets can also increase the incoming cashflow, because they become current assets (cash).

Deposit of capital by you (proprietary capital) or by others (foreign capital) are also increases in the incoming cashflow.

## Profit and loss forecast



This projection is a copy of the profit and loss account of page 21, but now you forecast the next three years (in order of f.e. 1998, 1997, 1996).

**You can obtain all the totals from the cashflow forecast(s) except the depreciation and the tax factors.**

This projection clearly creates a guideline of the maximum expenditures. Higher expenditures than are planned in the cashflow forecast will result in a shortage of finances. So try to stay under the planned expenditures.



**Also aim for higher sales than is projected in the sales forecast(s). Try to get the purchasing costs under the projections as well.**



### CHARTS

The charts/graphs have automatically been updated (on some systems you may have to select UPDATE NOW in the EDIT menu, select Links. They're placed in the graphic presentations file GRAPHS1.DOC, but you may copy them to any location by selecting it, cutting or copying and pasting it at the selected location.



**The break-even point figures are automatically inserted into the statdata.doc file (the statistical data pages).**



You are using one of the primary business planning tools of PlanMagic™ Corporation.



Read: Reviews and Remarks

With this affordable product you can write a professional business plan in no time at all and with little effort.

The PlanMagic™ tool guides you through the model plan. You will modify the model exactly into the plan you need. The online manual will prove useful and very handy. With the touch of a button you can get additional information about every subject you will come across.

**Every PlanMagic™ tool supports and guides the business(wo)man with the writing of a business related plan. The final result will astound you and those that need astounding.**

### Features:

- multiple templates to choose from (not yet, soon a Retailer template)
- online business guide
- complete marketing concept
- clear goals and strategy settings
- easy of use with known wordprocessing software, such as Word\*
- pre-defined spreadsheets with automated charts
- complete financial data and ratios
- sales, profit and loss, cashflow forecasting
- lots of additional tools in the PlanMagic User lounge Business section

### ARE YOU REGISTERED?



*Each registration entitles you to one year of FREE updates and FREE access to the PlanMagic™ User lounge Business section of the PlanMagic™ Business Resource Centre.*

**Each single user license is competitively priced at £32 or \$49.95.**

**Prices may have changed, so please check:**

Internet: pay a visit to the PlanMagic™ Business Resource Center: <http://planmagic.com>.

**PlanMagic™ Corporation**

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**You could be working with PlanMagic™ Analysis.**

**One of the primary business planning tools of PlanMagic™ Corporation.**

With this affordable product you can do a complete marketing analysis in no time at all and with little effort. It is especially useful to existing businesses.

The PlanMagic™ tool guides you through the model analysis. You will modify the model exactly into the analysis you need. The online manual will prove useful and very handy. With the touch of a button you can get additional information about every subject you will come across putting your marketing at work properly.

**Every PlanMagic™ tool supports and guides the business(woman) with the writing of a business related plan or doing an analysis.**

### **Features:**

- online marketing analysis guide
- complete marketing report
- clear goals and strategy settings
- easy of use with known wordprocessing software, such as Word\*
- detailed analysis per product line
- clear research information
- automatic conclusion compilation
- pre-defined action list



***Each registration entitles you to one year of FREE updates and FREE access to the PlanMagic™ User lounge Analysis section of the PlanMagic™ Business Resource Centre.***

**Each single user license is competitively priced at \$79.95.**

**Prices may have changed, so please check:**  
Internet: pay a visit to the PlanMagic™ web site

**PlanMagic™ Corporation**

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You could be working with **PlanMagic™ Marketing**.

One of the primary business planning tools of **PlanMagic™ Corporation**.

With this affordable product you can produce a marketing plan in no time at all and with little effort.

The PlanMagic™ tool guides you through the model plan. You will modify the model exactly into the plan you need. The online manual will prove useful and very handy. With the touch of a button you can get additional information about every subject you will come across putting your marketing at work properly.

**Every PlanMagic™ tool supports and guides the business(wo)man with the writing of a business related plan or doing an analysis.**

### **Features:**

- online marketing guide
- complete marketing formula
- clear goals and strategy settings
- easy of use with known wordprocessing software, such as Word\*
- complete demographics and psychographics
- product/market definition
- gallery of charts to choose from



***Each registration entitles you to one year of FREE updates and FREE access to the PlanMagic™ User lounge Marketing section of the PlanMagic™ Business Resource Centre.***

**Each single user license is competitively priced at \$79.95.**

**Prices may have changed, so please check:**  
Internet: pay a visit to the PlanMagic™ web site

**PlanMagic™ Corporation**

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**PlanMagic™ .....**

*Will be available soon.*



## General tips



- Do not leave your plan behind without considering carefully that your ideas can be interesting enough to steal. Any person is capable of doing so. Even institutions which you would never suspect. **Find out about copyright, trademarks and patents before you start.**
- **Do not provide your friends, business relations, accountant or anyone else with a free copy of your PlanMagic™ tool. Every PlanMagic™ product has been serialized and you are risking fines that do not compare with the small price they would have to pay for their own registration.**
- **Read through your plan every week.**



**Visit the PlanMagic™ web site regularly: <http://planmagic.com>**

- Be realistic about your goals and strategies. If a certain goal cannot be reached change your plan accordingly. Do not deposit your plan in a drawer, never to be looked at again.
- Use the several modules whenever needed.
- If you need help or advice about business related matters you may consider obtaining our **E-mail Consultancy** assistance. More information is available at the **PlanMagic™ Business Resource Center** (the web site).



**Use the plan and the modules to control the progress and to evaluate the actual results.**

- **Get the proper insurance!**

# Company form



**There are various ways to form your business.**

Incorporated, Corporation, Partnership, Co-operative, Limited company, Limited Liability Company (some states).

## Unlimited liability

### Advantages

Even though the form of your accounts is not described explicitly by law it is advisable to keep proper accounts and to produce a **profit and loss account** as well as a **balance sheet** at the end of the year.

If running your business does not necessitate bank overdraft, hiring personnel, large suppliers' credits you could consider to setup as a sole trader. If your expected net profit is under \$50,000 you could consider being sole trader. Since the corporation tax will be too high compared to the actual result.

### Disadvantages

You are liable for all the company assets as well as your private possessions. All assets (company and personal) can be seized to pay the company's debts. In such case you can be declared bankrupt.

### Setup

- inform your tax inspector
- inform the local Dept. of Health and Social Security)
- inform if you need to register for sales tax

## Partnership - unlimited liability

The partnership is to be compared with the sole trader. However, each partner is jointly liable with the other partners for all the debts that each partner creates. Your personal assets could be seized even for your partner's debts.

From many experiences our advice is to never form a partnership for this reason. Noone, not even your best friend, is to be trusted where business and large sums of money is concerned. The limited company or corporation is the better choice.

If you decide to use one of these company forms however please do consult your attorney first and let him draw up the partner agreement. If you consult a **PlanMagic™ consultant** he or she will advise the formation of a limited company.

## Co-operative

This company form is not regular for small business. Further information is easy to find and is therefore not provided here.

## Limited liability

### Advantages

For any trading purposes these are the most interesting company forms. The shareholders and officers of the company (directors, secretary) are only liable for the amount paid for their shares. The personal assets can only be seized because of fraudulent behaviour. This depends on specific laws of your state or the state of incorporation.

Capital is raised by issuing shares. It is possible to sell some or all of the shares.



Unlimited contributions can be made to company pension.

Continuation of the company does not depend upon the directors only.

### **Disadvantages**

Your accounts have to be according to law and have to be filed each year at the proper authorities. Any person can inspect them. The accounts must also be audited by a registered accountant.

You will have to pay social security contributions as director (employee) of your company and your company will pay contributions as employer. Unfortunately, these rates are much higher than those for a sole trader. You will receive full benefits however.

The taxes you pay are normal income tax on your salary and drawn dividends (up to 40%) not on your entire profit. The company however pays corporation tax on its profits.

The sole trader however pays income tax on the entire net profit of the company. As a sole trader you do not receive a salary so your salary is the net profit, and this is taxed as income. When net profit is higher than \$50,000 the limited company will save you money.

### **Setup**

You can contact your **PlanMagic™ consultant** for more information to get your company set up. The cost of incorporation varies between \$100 and \$1000. This depends upon the specific necessities you or your business requires.

You need at least two persons to form most limited company forms: one director and one secretary. This depends from state to state however. More persons are possible also. If you don't know anyone to appoint as secretary, this can be arranged by means of appointing nominees for a small amount payable each year. You may have unlimited shareholders.

A few formalities will have to be dealt with. The limited liability outweighs any other consideration between the choice of conducting your business as sole trader or limited company.

For more information regarding these matters consult with your **accountant**, your attorney or other sources.

# Banks

## Choosing your bank

---

To choose the right bank for your business there are a few considerations to be made. Use the following checklist:

**Not available in the unregistered version!**



**Shop around. Do not open an account at the first bank. Tell the manager you were pleased with the meeting and will contact him or her shortly.**



**Read: If you need credit**

**Not available in the unregistered version!**

# Location



**Choosing a correct location is one of the most important decisions you will have to make.**

The location you choose now will have serious effect on your business, be it positive or negative. Make sure it has a positive effect.

If you plan to retail or run a hotel, restaurant or bar the location becomes even more crucial as to whether or not your business is going to be successful.

Read the [Specials.doc](#) file to see what you should add to your business plan.



**Read: [Real estate lease](#)**

**Points to consider**

**Not available in the unregistered version!**



**Get proper advice.**

# Accountant or auditor

## Choosing an accountant / auditor

---

When choosing an accountant the same courtesy rules apply as when choosing a **bank**.

If you operate as sole trader you could decide to keep your own records. Make sure you are familiar with the basic principles of keeping records. Such as keeping a cash book and if you purchase on credit or sell on credit you will also need a sales day book (accounts receivable, debtor book, sales ledger) and a purchase day book (accounts payable, creditors book, purchase ledger). All these books are combined in the general ledger. From this general ledger the profit and loss account and the balance sheet are drawn up.

Get a filing folder and create three categories. Name them cash book (this is also for your bank statements), debtors and creditors. Insert every receipt of incoming or outgoing cash or transaction in the cash book. Insert every invoice you have in the debtors book and any bill in the creditors book.

More information about how to keep basic records can be obtained from your PlanMagic™ consultant, from your accountant or from several books available in most bookstores.

### Points to consider when choosing an accountant or auditor

**Not available in the unregistered version!**

# Marketing goals



In general

**Not available in the unregistered version!**

[Product line 1]

**Not available in the unregistered version!**

## How to register

**ORDER NOW!**

If you have purchased this PlanMagic™ tool of PlanMagic™ Corporation through:

- 1) **appointed retailer**
- 2) **official PlanMagic™ consultant**
- 3) **directly from PlanMagic™ Corporation**

You have been registered. Your hidden registration number is incorporated in the template used by the PlanMagic™ files and is shown on the diskette label.

**If you have received an illegal copy from a friend:**

You are putting your friend and yourself at risk. If traced you and your friend will be prosecuted by law and will be fined for violating our copyright. You cannot order other tools for the special price. You cannot get help from our consultants or specialists. You cannot attend one of our workshops. You cannot get FREE upgrades and tools. You DO NOT have access to the USER LOUNGE.

**If you are using one of our tools illegally, please register and get all the benefits, not the headaches that will follow.**

### HOW TO REGISTER OR ORDER



**By mail, phone or fax**

**Through Compuserve**

**Internet/www**

**Customer support**

**Send your order in today.** Please include your company name, your name, full address, telephone number, fax number, email number and your type of business. You may specify the computer system and the programs you use.

**Prices may have changed, so please check:**

The PlanMagic™ web site: <http://www.planmagic.com>

You are also eligible for product upgrades. These will be FREE for the first year. After the first year £10 or \$15 per upgrade.



You also get access to download sample plans or analysis', FREE tools and information, other products and much, much more when visiting the PlanMagic™ web site. **As time passes the site will continue to grow offering you an unlimited supply of information.**



You only purchase the **SINGLE USER license**. Please contact us if you need an **ACCOUNT license**.

# Example Balance sheet



## Balance sheet 1995 (compared with 1994)

	1994	1995
	\$	\$

### Assets

#### Fixed assets

Office equipment		10,000		7,500
Vehicles	25,000		20,000	
Machinery/Plant		25,000		20,000
Other	10,000		8,000	

#### Current assets

Cash/Bank		15,000		20,000
Stock	15,000		17,500	
Debtors/Accounts receivable		10,000		15,000

<b>TOTAL ASSETS</b>		<b>210,000</b>		<b>228,000</b>
---------------------	--	----------------	--	----------------

### Capital and Liabilities

#### Capital

Shareholders'/proprietor's capital		60,000		61,000
Profit and loss		.....		10,000

#### Short term liabilities

Loans	10,000		15,000	
-------	--------	--	--------	--

#### Long term liabilities

Mortgages		100,000		95,000
Long term debt		.....		.....

#### Current liabilities

Overdraft	15,000		15,000	
Tax payable		15,000		20,000
Creditors	10,000		12,000	

<b>TOTAL CAPITAL AND LIABILITIES</b>		<b>210,000</b>		<b>228,000</b>
--------------------------------------	--	----------------	--	----------------

## Estimate sales



How to estimate the sales?

**Not available in the unregistered version!**



*Open the calculator*

Do this for every month then complete the spreadsheet. If not satisfied with the total result change wherever you wish. The calculations and the charts will be adjusted automatically.



## Time table



This is a completed sample table of the activities planned for the coming year. Adjust as is necessary.

**Your selfmade business plan should be in front of you now.**

**It was hard work, but thanks to PlanMagic™ Business you succeeded.**

### **Keep working with PlanMagic™ Business!**

- 1) Simply because every year an adjusted plan is necessary.**
- 2) The forecasting and calculative modules can be used separately.**

And several others can also be used independently whenever needed.



**You will realize how important our product is to you. We guarantee that as the years go by you will learn to appreciate your PlanMagic™ tool more and more.**

It is not important how much time you needed to complete your first business plan. The next time you need to adjust your plan or use a module it will be easier. You will have learned the basic principles of running your own business and come to understand the importance of planning ahead.

**And remember: © OUR BUSINESS IS DEVELOPING YOURS**

- Visit the PlanMagic™ web site regularly for updates, upgrades, FREE tools , sample plans (registered users only) and much, much more.**



<http://www.planmagic.com>

### **SAMPLE PLANS**

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**Please consider sending us a copy of your plan for uploading at the User Lounge Business section. We will change your company name to ABC and remove any personal name and/or address. You could be of enormous help to another entrepreneur.**

**There is nothing like the REAL thing, so we would really appreciate your help.**

## Finally



**We wish you and your business all the success in achieving your envisioned goals. Use PlanMagic™ Business well and consider using other PlanMagic™ tools.**



We highly recommend the acquisition of business books and of reports about your markets. Keep hunting for information. It will be useful.

At this point, you should have looked at your strengths and weaknesses and judged for yourself whether you're ready to start a business or whether your business needs to take some action. You should also have compared those strengths and weaknesses with the traits you'll need to have if you're to be successful. The next step is to figure out what to do if you don't yet possess all of those traits.

If you discover that you don't have all of the traits you have several options, including:

- hiring someone who can handle those tasks you may not be good at
- partnering with someone who has the traits or skills you lack
- developing those traits or skills yourself (books, courses, study)

**Also look for (short) courses for you or your employees in areas such as:**

marketing  
advertising  
public relations  
sales  
sales promotion  
keeping accounts  
business law  
personnel  
technical  
etc...

**Now, go and multiply your assets**

Have confidence in yourself and your company

**PlanMagic™ Planning**

**NEXT SUBJECT**

# Product information



## Choose the products you need

### Action

### Use PlanMagic™ tool

- |                                     |                             |
|-------------------------------------|-----------------------------|
| 1. write a business plan            | <u>PlanMagic™ Business</u>  |
| 2. do a complete marketing analysis | <u>PlanMagic™ Analysis</u>  |
| 3. compile a marketing plan         | <u>PlanMagic™ Marketing</u> |
| 4. create .....                     | <u>PlanMagic™ .....</u>     |

By completing each plan in this sequence your company will have professional planning for every important part of your business.

**Competitively priced at: Business \$49.95, Analysis \$79.95, Marketing \$79.95.**

**All three tools ordered at once are only £99 or \$159.50.**

**Prices may have changed, so please check:**

Internet: <http://www.planmagic.com>



You only purchase the SINGLE USER license. Please contact us if you need an ACCOUNT license.

## OTHER SERVICES

Email consultancy

go to <http://planmagic.com/email.htm>

Professional services

go to <http://planmagic.com/design.htm>

Virtual domains

go to <http://planmagic.com/selfhost.htm>

User lounge subscription

go to <http://planmagic.com/products.htm>

## PlanMagic™ Corporation

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## Increase performance



### **WINHELP.EXE**

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### **Change the field update**

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**Not available in the unregistered version!**

2) The forecast files:

**Not available in the unregistered version!**

### **Upgrade your computer system**

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#### **Minimum system requirements**

80286 or 80386 or 80486-40 CPU, 4Mb RAM memory, Windows 3.x\*, Microsoft Word\*, 1.5Mb free harddisk space.

#### **Optimal system requirements**

80486DX2-66/80 or 80486-DX4-100/120 or Pentium\*\* processor, 8Mb or more RAM memory, Windows 95\*, Microsoft Word\*, Microsoft Excel\*, 1.5Mb free harddisk space.

If you have a slow machine you can expand the RAM memory, use a faster SVGA card with 2Mb video memory, use an Enhanced IDE controller and/or replace the main board or replace the system.

\* Windows, Word and Excel are all registered trademarks of Microsoft Corp.

\*\*Pentium is a registered trademark of Intel Corp.

PlanMagic™ is a trademark of PlanMagic™ Corporation.

## Improve results



*This must always be a main goal and can be realized with the following activities:*

a) More sales, by

- more sales volume

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b) Less cost, by

- careful planning

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## The solvency ratios



The **solvency** of the company indicates that the company can fulfill its obligations on the longer term. By calculating the ratios between total assets and total liabilities and between the proprietary and foreign capital a clear picture can be formed of the relative proportions.

### Remember the following facts:

a) the company is sound, if

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b) the company enters the danger zone, if

**Not available in the unregistered version!**

c) the company is in danger, if

**Not available in the unregistered version!**

**In such instance direct actions must be taken by means of:**

**Not available in the unregistered version!**



*If your company is currently in such a position ask for assistance from your accountant or a **PlanMagic™ consultant**. Do not wait too long !*

## The liquidity



**This is as mentioned in the plan the first condition for a company to stay afloat.**

If the current liabilities can not be fully paid out of the current assets serious problems with the cashflow could follow. This often results in liquidation of the company. Two ratios are used to show the liquidity of the company the current ratio and the quick ratio.

**Current ratio = current assets / current liabilities**

**Quick ratio = (current assets - inventory) / current liabilities**



The liquidity figures are automatically calculated from the spreadsheet and inserted into the statdata.doc file (the statistical data pages).

## Break even point



This break even point (also known as critical turnover) is reached when the turnover is sufficient to cover the costs.

Gross profit margin = (gross profit / year turnover) x 100% = \_\_\_\_%

Break even = (total cost / gross profit margin%) x 100 = \$\_\_\_\_\_



Read: Operating leverage



The break-even point figures are automatically inserted into the statdata.doc file (the statistical data pages).



## Solvency formulas



This is the secondary condition of staying afloat. The formulas show the financing requirements for the longer term.

**Total assets / total liabilities = \_\_\_\_\_** should be at least 1.5x

**(Total liabilities / total assets) x 100% = \_\_\_\_\_%** should be at least 67%

**Proprietary capital / foreign capital = \_\_\_\_\_** should be at least 1:2

**(Proprietary capital / total assets) x 100% = \_\_\_\_\_%** should be at least 33%

**Debt to Worth ratio = Total liabilities / Net worth = \_\_\_\_\_**

**Working capital = Total current assets - Total current liabilities = \_\_\_\_\_**

**Net sales to Working capital ratio = Net sales / Net working capital = \_\_\_\_\_**

The first four figures are automatically inserted into the statdata.doc file (the statistical data pages) from the balance.xls spreadsheet.

## Examples pricing targets and strategies



Product line 1: \_\_\_\_\_

**Not available in the unregistered version!**

Product line 2: \_\_\_\_\_

**Not available in the unregistered version!**

# Use another spreadsheet



## Using another spreadsheet program

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If you have another spreadsheet program or your link does not work properly, you simply follow these steps to make a new link:

- 1) open your spreadsheet program and convert the .xls spreadsheets of PlanMagic™ Business**
- 2) make the necessary modifications if needed and save the spreadsheet**
- 3) COPY the used cells to the clipboard and go to your plan in the used word processor**
- 4) go to the correct insertion point and select 'PASTE SPECIAL'**
- 5) choose 'PASTE LINK' and the desired format EITHER as a spreadsheet or as a bitmap picture and click OK**

The new spreadsheet format should be inserted now and the link made. Delete the original Excel\* spreadsheet or picture in the plan file. From now on your spreadsheet program and the spreadsheet will get started when you click on the linked table.

\*Excel is a registered trademark of Microsoft Corp.

# Bizplan International Limited

and



## The history

The ideas for the PlanMagic™ tools were first conceived in 1993 by Peter Nunes d'Agrella. From a background of informatics specialist, sales manager, computer center manager, sales director, sales manager, sales and marketing director Europe, managing director gone bankrupt once, Peter performed a thorough study as to the availability of easy-to-use quality planning software. An enormous void was found. After years of blood, sweat and tears (many of them) the first version of PlanMagic™ Business was completed. This was in 1994. Since then many versions followed until version 4.3, now before you.

Due to this overall lack of proper planning information for starting and existing businesses the author searched to find an easy way to produce business plans. This resulted in the complete product line PlanMagic™ Corporation now offers. See [Product info](#).

## The company

Consequently the company in the US was formed as a corporation as well as a U.K. distributor. Bizplan International Ltd. holds an exclusive distribution license from PlanMagic™ Corporation.

**The name PlanMagic™ is a trademark of PlanMagic™ Corporation.**

## A promising future?

Since the formation the company has experienced a tremendous growth and this is expected to continue for many years to come. The demand for the PlanMagic™ tools has been properly estimated and the programming of new versions and new tools continues even at this very moment. But, our future depends on you! If you like our products (or not), let us know, if you use or would like to use our products please register them. **Many thanks to those of you that did and will.**

## A clear philosophy

As our slogan **© OUR BUSINESS IS DEVELOPING YOURS** clearly indicates we aim to help small and medium sized businesses with their start-up and their further development. Please do not hesitate to contact us if you need further assistance or require more tools.

We are always interested in your opinion about our products and our policy, so feel free to communicate your ideas with us. We sincerely hope you enjoy working with us and our tools.

**We wish you success with your plans and your business.**

## The PlanMagic™ team



# Single user license



## The PlanMagic™ license agreement SINGLE USER LICENSE

*This is a legal agreement between you, the user (as an individual or an organization) and PlanMagic™ Corp. and/or Bizplan International Ltd.*

### 1. Single user license

This PlanMagic™ license Agreement gives you the right to use only one copy of PlanMagic™ Business on one computer system to write your plan. Using more than one copy at the same time is only permitted with the Account license Agreement.

### 2. Upgrades

If the product is an upgrade from a previous version you may use the upgraded product only in accordance with this Single User license Agreement.

### 3. Copyright

All title and copyrights in and to the product (including but not limited to any images, photographs, animations, video, audio music and text, incorporated into the product, the accompanying printed materials, and any copies of the product, are owned by PlanMagic™ corporation. The product is protected by copyright laws and international treaty provisions. You may not copy the product, the programs or the printed materials, by any means without the explicit written permission of the author or copyright owner.

### 4. Other limitations

You do not have the right to lend, lease or rent out PlanMagic™ Business. You do not have the right nor the permission to use the product for the creation of business plans for others, be it free of charge or any form of payment. This right is only obtained with an Account license Agreement.

### 5. Limited warranty

PlanMagic™ corporation or Bizplan International Ltd. only guarantees that PlanMagic™ Business will perform substantially in accordance with the mentioned requirements for a period of 90 days from the date of receipt.

### 6. Customer remedies

The copyright owner's, Bizplan International Ltd. and PlanMagic™ corporation's and its suppliers' entire liability and your exclusive remedy shall be, at PlanMagic™ corporation's option, either a) a return of the price paid, or b) repair or replacement of the software or hardware that does not meet this Limited Warranty and which is returned to PlanMagic™ corporation or its supplier with the original receipt. This Limited Warranty is void if failure of the product has resulted from accident, abuse, or misapplication. Any replacement will be warranted for the remainder of the original warranty period or thirty (30) days, whichever is longer.

### 7. No liability for consequential damages

To the maximum extent permitted by applicable law, in no event shall the copyright owner or Bizplan International Ltd., PlanMagic™ corporation or its suppliers be liable for any damages whatsoever (including without limitation, direct or indirect damages for personal injury, loss of business profits, business interruption, loss of business information, or any other pecuniary loss) arising out of the use or inability to use this product, even if the copyright owner, Bizplan International Ltd., PlanMagic™ corporation and its suppliers have been advised of the possibility of such damages. In any case, the copyright owner, Bizplan International Ltd.'s, PlanMagic™ corporation and its suppliers' entire liability under any provision of this agreement shall be limited to the amount actually paid by you for the product. Because some states/jurisdictions do not allow the exclusion or limitation of liability for consequential or incidental damages, the above limitation may not apply to you.

### 8. No other warranties

To the maximum extent permitted by applicable law, the copyright owner, Bizplan International Ltd., PlanMagic™ corporation and its suppliers disclaim all other warranties, either express or implied, including, but not limited to implied warranties of merchantability and fitness for a particular accompanying hardware or software. This limited warranty gives you specific legal rights. You may have others which vary from state/jurisdiction to state/jurisdiction.

## Special provisions

### Reverse engineering

If you acquired the product in the European Community, you may not reverse engineer, decompile, or disassemble the product except to the extent and for the express purpose authorized by applicable law.

### If you acquired this software in (the):

Australia, New Zealand: this agreement is governed by the laws of New South Wales, Australia or, where applicable by the laws of New Zealand.

Canada: this agreement is governed by the laws of the Province of Ontario, Canada.

England, Scotland, Wales and Ireland: this license Agreement is governed by the laws of England.

U.S.A.: this agreement is governed by the laws of the State of Delaware, U.S.A.

Any other country: this agreement is governed by local law.

# Account license

## The PlanMagic™ license agreement

### [ACCOUNT LICENSE](#)

*This is a legal agreement between you, the user (as an individual or an organization) and PlanMagic™ Corp. and/or Bizplan International Ltd.*

#### **1. Account license**

This PlanMagic™ license Agreement will give you the right to use more than one copy of PlanMagic™ Business on more than one computer system and/or to write plan(s) for others using the product. You must acquire the Account license Registration before you can use the product as described above.

**Contact PlanMagic™ Corp. or Bizplan International Ltd. to register your account license.**

***We have site licenses for 2-10, 10-25, 25-50, 50-100 and >100 users.***

**Go to: <http://planmagic.com/licenses.htm> for more information.**

# Use another word processor

## [Using another word processing program](#)

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**If you have another word processing program you may try the following:**

- open your word processing program and convert the **.doc** files into the desired format of your word processor
- make the necessary modifications if needed and save the new model plan

**If your word processing program cannot convert the DOC files:**

- go visit the PlanMagic™ web site to see if you can retrieve RTF files. This is Rich Text Format and most editors and word processors can read this format. The nice tables in the Word\* DOC files are not possible. You cannot invoke the online manual from within your program, unless you can write your own macro. See [Increase performance](#).



**In the future we will surely have the complete tools in formats of other word processing programs. We will have a Wordperfect/Quattro Pro\*\* version soon!**

## **NEXT SUBJECT**

\*Word is a registered trademark of Microsoft Corp.

\*\*Wordperfect and Quattro Pro are registered trademarks of Corel Corp.

## Examples marketing strategies



**In general**

**Not available in the unregistered version!**

**Product line 1: .....**

**Not available in the unregistered version!**

**Product line 2: .....**

**Not available in the unregistered version!**



# Business mission



## Your company's mission or identity

You should ask yourself: what are our markets, what is our profile, what are we as an entity, what are we capable of, what do we aim for and who must we compete with?

Different types of businesses will have different identities or missions. Retailers will speak of '**their formula**'. This can be given shape by a specific color or presentation.



**Try to define your mission as eloquently as possible. Make sure that your business mission is incorporated in all your marketing activities.**

**Our business mission is clear: Our business is developing yours!**

## Customer support



**By mail, phone, fax**



**CompuServe**



**Internet/www**



**Customer support**



1) You can call or fax Bizplan International Ltd. See **Contact information**.

2) **You can get the best support via e-mail. You may contact one of our e-mail numbers:**

a) Att.: U.K. Sales support department: **planmagic@aol.com**

b) Att.: U.S. & Int'l Sales support department: **support@planmagic.com**)

c) Att.: Consultancy department: **consult@planmagic.com**

d) Att.: Programming department: **prog@planmagic.com**



**You only purchase the SINGLE USER license. Please contact us if you need an ACCOUNT license.**

## Order through CompuServe



By mail, phone, fax



CompuServe



Internet/www



Customer support



### Our E-mail addresses are:

U.S. Sales dept.: [sales@planmagic.com](mailto:sales@planmagic.com)

U.K. Sales dept.: [planmagic@aol.com](mailto:planmagic@aol.com)

All other countries Sales dept.: [sales@planmagic.com](mailto:sales@planmagic.com)

---

### 1) Forward the payment:

#### a) CompuServe: GO SWREG id.#:

##### US versions:

- # 13444 : for single user licence of PlanMagic™ Business = \$49.95
- # 13669 : for single user licence of PlanMagic™ Analysis = \$79.95
- # 13672 : for single user licence of PlanMagic™ Marketing = \$79.95
- # 13445 : for single user licence of three PlanMagic™ tools = \$159.50

##### UK versions:

- # 13376 : for single user licence of PlanMagic™ Business = £32/\$49.95
- # 13669 : for single user licence of PlanMagic™ Analysis = £49/\$79.95
- # 13672 : for single user licence of PlanMagic™ Marketing = £49/\$79.95
- # 13414 : for single user licence of three PlanMagic™ tools = £99/\$159.50

**Shipping and handling are \$5.00 per tool or Three-pack. Your payment will be direct debited by CompuServe.**



When ordering other language versions (Nederlands, Français available soon) please use the ID# of the US versions. We will automatically ship (if available) the version based upon the location of the person ordering. If you want an English version anyway order the UK version or send us an e-mail specifying the desired language.



PlanMagic™ Marketing will be fully available in the second quarter of 1997. We do not ship (as too many others) buggy 'beta' versions. If you order a threepack, you'll receive PlanMagic™ Business and PlanMagic Analysis right away. PlanMagic Marketing will follow in its entirety in the second quarter of 1997.



If you DO order PlanMagic Marketing separately before finding the functional demo versions on the AOL forums or Internet, you will only receive the confirmation of your order and payment. You will then automatically receive notice or uploads when the program(s) is(are) fully completed (2nd quarter 1997).

### 2) Delivery:

a) You can download the full version at a given URL.

b) You will receive the PlanMagic™ Disk by registered mail.



**You only purchase the SINGLE USER license. Please contact us if you need an ACCOUNT license.**

## Contact information



By mail, phone, fax



Compuserve



Internet/www



Customer support



- 1) You can call: Bizplan International Ltd. in the U.K. on **0181 - 671 7958**
- 2) You can fax: PlanMagic Corp. in the U.S.A. on **(914) 737-2220**
- 3) You can call the nearest **PlanMagic™ consultant** (if available in your country)
- 4) You can mail your **order form** to:

**U.S.: PlanMagic Corporation**  
1887 E. Main Street  
suite 165  
Peekskill, NY 10566

**U.K.: Bizplan International Ltd.**  
4 Wavertree Road  
London SW2 3SW  
United Kingdom

### 5) Forwarding payments:

- a) Transfer the correct amount into our bank account at (Europe only):

**MIDLAND BANK Plc**  
London  
United Kingdom  
**acc.#: 11185624**  
**sorting code: 402042**

b) By sending us a cheque or money order in £ or \$. Add £7/\$10 for clearance. Mention the product(s) you order. Allow up to four weeks for delivery.

c) Payment with credit card. Go to Order via Internet/www.

### 6) Delivery:

You will receive the PlanMagic™ Disk by registered mail.



You only purchase the SINGLE USER license. Please contact us if you need an ACCOUNT license.

## Order through Internet



**By mail, phone, fax**



**CompuServe**



**Internet/www**



**Customer support**



**To order over the Internet, point your browser to:**

**A) <http://planmagic.com/regintwww.htm>**

and go to the REGISTER at secure server link.

**B) <http://nstarsolutions.com/697.htm>**

and complete the order form at this SECURE SERVER.

### Payment with credit card: VISA, Mastercard or Discovery

**Credit card orders are processed via SECURE SERVER through NorthStar Solutions. Accepted are VISA, Mastercard and Discovery. NorthStar Solutions can easily be contacted for orders only via one of the following methods:**

#### **Internet orders:**

Simply fill out the online order form at the PlanMagic Web site. Go to the REGISTER section, select: via Internet/WWW and follow the link to Northstar Solution's SECURE SERVER.

#### **Phone orders:**

Calls are taken 10:00am - 20:00(8:00 pm), EST, Monday thru Saturday

**1-800-699-6395 (calls from the USA only)**

**1-803-699-6395**

#### **Fax orders:**

**1-803-699-5465 (Available 24 hours)**

#### **E-mail orders:**

America Online: [STARMAIL](#)

CompuServe: 71561,2751 or [STARMAIL](#)

Internet: [starmail@compuserve.com](mailto:starmail@compuserve.com)

*Please provide (or be prepared to provide) the following information when ordering:*

1. the program you are registering
2. your mailing address
3. your Visa, Mastercard or Discovery # and its expiration date
4. your drive type (if other than 3.5")
5. your e-mail address (so Northstar Solutions can send you an e-mail confirming your order and we can contact you easily with any important follow-up information, upgrade announcements, etc..)

**Northstar Solutions does not provide any support!!! ORDERS ONLY! Go to customer support for support or any query prior to ordering!!!!!!**



**You only purchase the SINGLE USER license. Please contact us if you need an ACCOUNT license.**



# Order form

**ORDER NOW!**

REF.: \_\_\_\_\_ DATE: \_\_\_\_\_

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**I hereby would like to order:**

**Version: U.S. / U.K. / \_\_\_\_\_**

..... copies of single user license PlanMagic™ Business = \_\_\_\_\_  
..... copies of single user license of PlanMagic™ Analysis = \_\_\_\_\_  
..... copies of single user license of PlanMagic™ Marketing = \_\_\_\_\_  
..... copies of single user license of all three PlanMagic™ tools = \_\_\_\_\_

Other: \_\_\_\_\_ = \_\_\_\_\_

**Total payment** \_\_\_\_\_

Name: \_\_\_\_\_

Company: \_\_\_\_\_

Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Country: \_\_\_\_\_

Day Phone: \_\_\_\_\_ Even.: \_\_\_\_\_

Fax Number: \_\_\_\_\_

Electronic Mail address: \_\_\_\_\_

**Hardware configuration:**

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**Software configuration:**

Environment: DOS \_\_\_\_ / Windows \_\_\_\_ / \_\_\_\_\_

Wordprocessor: WORD \_\_\_\_ / Wordperfect \_\_\_\_ / \_\_\_\_\_

Spreadsheet: Excel \_\_\_\_ / Quattro Pro \_\_\_\_ / Lotus \_\_\_\_ / \_\_\_\_\_

**How did you hear about the PlanMagic™ tools?**

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**Comments:**



## PlanMagic™ consultant



### What is a PlanMagic™ consultant?

Go to <http://planmagic.com/introconsult.htm>

To browse the list and find the planning consultant for your region:

- 1) read the file `consults.doc` or click on the program manager icon consultants OR
- 2) go to the PlanMagic™ web site for the latest listing of the consultant network.  
(<http://planmagic.com/consultlist.htm>)



### Can I become a PlanMagic™ consultant?

Go to <http://planmagic.com/introconsult.htm>



### What are the fees and the income potential?

Go to <http://planmagic.com/introconsult.htm>

If you have a serious interest in this opportunity do not delay your application.

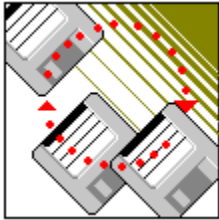
## Starting up script



If the plan is intended for a starting-up situation the following pages and information may be excluded from the plan. Delete the page or the information from the mentioned files when you reach it. Or just skip the module. When deleting pages from an original DOC file, please copy the original first, say to bizplan1.doc, then modify the bizplan.doc file.

**Not available in the unregistered version!**

## Technical information



The installation

### For Windows\* 3.0, 3.10 and 3.11

1) To install any PlanMagic™ tool you select **RUN** from the **FILE** menu in **Program manager** or **File manager** or double click on the below mentioned executable filename in **File manager**.

2) You run the received or downloaded file from any drive:

bizukd.exe, bizuk.exe, bizusd.exe, bizus.exe or any EXE filename. Other language versions will be available as soon as possible and will have a slightly different filename.

3) All necessary files will be copied into the directory **c:\bizplan** or you may specify a directory.

4) The program group **PlanMagic™ Business** will be created and the following icons made:

01) PlanMagic General template	page 1-20
02) Profit & Loss historic	page 21
03) Balance sheet	page 22
04) Statistical data	page 23-24
05) Investment budget	page 25-28
06) Organizational structure	page 29-30
07) Sales forecast	page 31
08) Cashflow forecast	page 32
09) Profit & Loss forecast	page 33
10) Time table	page 34
11) Graphic charts P&L + Cashflow	page 35,36
12) Graphic charts Sales	page 37-38
13) Graphic charts Balance sheet	page 39
Specific data	
Addresses (UK version only)	
Cashflow flowchart	
PlanMagic™ Business Guide	

5) Double clicking on the selected icon will start the file. Microsoft Word\* will be started and the selected file loaded. Double clicking on the online manual will start the WINHELP.EXE file from the Windows directory and the BUSINESS.HLP file.

### POSSIBLE PROBLEMS

1) The DOC file is not loaded when clicking on the icon.

If double clicking on the icon does not load Word\* and your plan file, the DOC extension is probably not mentioned in the following section of WIN.INI. You must alter this using any text editor or NOTEPAD.EXE.

[Extensions]

DOC=c:\winword\winword.exe

or adjust the path according to the correct location of WINWORD.EXE.

**2) In Word\* the online manual is not loaded when pressing ALT-F1 and/or the smiling icon does not appear in the toolbar.**

If your online manual does not start as mentioned above, Word\* cannot locate the template file BIZPLAN.DOT. This is copied into your bizplan directory during installation.

If this is the case copy the template to the location where your version of Word\* keeps its templates. For example: c:\winword\templates.

**3) Double clicking on the spreadsheet does not link properly to Excel\*.**

If you get the message that Excel\* cannot edit the spreadsheet you clicked on in one of the forecasts, the link is not recognized. This might occur with older versions of Microsoft Office\*, Word\* or Excel\*. You have to make the link again. See [Use another spreadsheet](#) to make the proper linkage.

**4) The formula divider : is different in your Excel\* version ;**

If this is the case please change the : into the ; in every formula.

**For Windows\* 95**

**1) To install any PlanMagic™ tool you select RUN from the START menu or you double click on the EXE in Explorer. The other details as for Windows\* 3.x apply.**

The problems can be the same as for Windows 3.x.

**Word\* 7.0a and Excel\* 7.0a (of Office 97\*)**

We have found the links to Excel\* are not recognized on some systems. Until we have a version for this 'update' you will have to delete and create the links. Please email us if you have trouble with this. Email: support@planmagic.com.

\*Windows, Word, Office97 and Excel are all registered trademarks of Microsoft Corp.  
PlanMagic™ is a trademark of PlanMagic™ Corporation.

# Plans



*You'll receive any and all updates FREE for the first year.*

## Expanding the PlanMagic™ web site

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**Provide many FREE business related tools.**



**Provide many business related links as to provide our registered customers with a vast source of reliable business products, services and information.**



**Provide selected informative articles and information.**



**Provide online E-mail consultancy.**



**Build up a library of sample plans (uploaded by other PlanMagic™ users worldwide)**



**Have a network of planning consultants available on the WWW to assist you.**



**Help you to realize your presence on the World Wide Web.**

***And much much more!!!***

**Visit the PlanMagic web site:**

<http://www.planmagic.com>

<http://planmagic.com>

**NEXT SUBJECT**

# WUGNET

## *Windows Users Group Network*

WUGNET is the oldest and largest independent support resource forum for Windows users on CompuServe with nearly 1,500,000 active members. The amount of information and shareware programs are offered online through thirty eight active Windows forums and Internet resources. WUGNET is an official distribution location and they also provide online support resources.

WUGNET is recognized in the press, user groups, developers and Microsoft as the foremost resource for shareware publishers on CompuServe.



**PlanMagic™ Corporation is proud to have been awarded the official**

**for our program PlanMagic™ Business**

**More information can be found at the following site:**

**<http://www.wugnet.com>**

## Other ratios



Besides the ratios used in the model there are some you may wish to use in your plan or in the future.

We'll give the following ratios to consider and apply when needed:

### Operating ratios

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#### Inventory Turnover

This ratio measures the number of times inventory is "turned over" during a certain time period. It shows the relationship between the usage of stock per time period and the average value of stock. It indicates the efficiency of purchasing and production efficiency.

Data is used from the income statement and the balance sheet.

**Inventory ratio = Cost of goods sold / Inventory**

A high ratio shows that the inventory is being turned over quickly and as such that the stocked inventory is not too high.

#### Turnover frequency of total assets

This indicated how frequently the total assets are 'turned over' in a certain time period. Also referred to as 'speed of turnover'. It shows the efficiency with which the company uses its available means.

**Speed of turnover = total turnover / total assets**

#### Net Sales to Net Receivables ratio

It measures the times the accounts receivables turned over during a certain time period. The higher the turnover of receivables, the shorter the time between sales and actual cash is collected.

**Net sales to Receivables ratio = Net sales / Net receivables**



**There are many more ratios available to the business manager to assess the company's situation and progress. Many of them are available in the different sections of the User Lounge.**

## Comparisons profit and loss



**Not available in the unregistered version!**



## Market approach



About your market approach

**Not available in the unregistered version!**

## Product differentiation



**Not available in the unregistered version!**

## Product positioning



**Not available in the unregistered version!**

## E-mail online consultancy



### What is E-mail online consultancy?

**It is a professional consultancy service for the smaller and medium sized business wishing to distinguish itself. Without exorbitant fees and long term commitments. There is no obligation whatsoever.**

You can have your own business consultant at your fingertips. Your personal advisor is assigned to work with you on a regular basis, providing you with constant guidance and advice on your business.

Your advisor is a highly experienced business person, with experience in helping smaller businesses in areas such as sales, marketing, decision making, location, accounts, business economy, personnel and organizational structures.

Because the service is delivered over the Internet (via e-mail) it is extremely cost effective, making this kind of professional advice affordable and accessible for small and medium sized businesses like yours.

### Why use E-mail online consultancy?

**As a small business owner you may find yourself isolated at times. It can be a lonely experience. And (like so many others) you may find the lack of some of the required skills or knowledge to make your business really successful.**

There are times when advice is needed quickly to avoid making costly mistakes or to take advantage of a possible opportunity.

### What do you get from your us?

**Based on your Application Form, we assign an advisor to you, matching his or her skills and experience to your needs. You may have an email discussion with your advisor once you signed up, getting to know each other.**

You can often get some valuable advice at this early stage. After that, you can continue to work with your advisor on a monthly basis for a small monthly fee for as long as you like. You are never committed to more than one year at a time. And you are not obliged to ask our advice if you feel you don't need it.

***But when you do, we're only an e-mail away!***

The help you get from your advisor may cover any aspect of running a business, online and offline. But your advisor will tell you if he or she is not qualified to advise you on an issue. In such case your advisor will direct you to the proper channel. All our advisors are bound by the *Code of Professional Conduct*, based on that of the **Institute of Management Consultants**.



More information can be found at the PlanMagic™ Business Resource Center at:  
<http://www.planmagic.com/email.htm>

## Reviews and Remarks



### What are other users saying of the PlanMagic™ software products?

The quoted parts are exact copy of the words stated by the persons quoted. We only publish initials to honour everyone's privacy unless clearly stated otherwise. Reviews by publishers are fully named.

#### Here are some of their comments on PlanMagic™ Business:

##### **Review by Ziff-Davis Publishing Co., publishers of [www.hotfiles.com](http://www.hotfiles.com)**

PlanMagic Business contains a series of documents and spreadsheets to help you organize a comprehensive business plan. A Help file is included to describe the use of each of the 11 modules, which include plan, profit and loss, balance sheet, statistical data, investment budget, organizational structure, sales, cash flow, profit and loss forecasts, time table, and a graphical presentation. Some information is omitted and some documents are password-protected to encourage registration, but this trial version offers enough formatted information to see the level of quality being provided.

##### **"It's a great program"**

A.C., system operator at CompuServe

##### **"I like it very much, but since I really need the marketing software I'm ordering the PlanMagic™ Three-pack"**

D.B., England

##### **"This product has great potential"**

L.P., New York, USA

##### **"It really works"**

P.C., London, England

##### **"I really like your program PlanMagic™ Business, and the beta version of PlanMagic™ Analysis is even better. I've never seen anything like it"**

A.I., Brussels, Belgium

##### **"The online manual is simply superb"**

J.W., system operator at CompuServe

##### **"The trial versions show that the products can be used productively"**

P.R., director international business development consultants, Munich, Germany

##### **"I am looking forward to using the package. It is a very well thought out plan and will be a great asset to our business."**

T.D., S. Enterprise, Alabama USA



### What are others saying of the PlanMagic™ web site?

##### **"You have a great web site"**

A.S., Editor at [www.flabisnet.com](http://www.flabisnet.com)

## The five growing stages



**Most small business owners think that growing BIG is the only way to survive (even large multinationals have this notion).**

Growth may be desirable, yet creates many new problems. Some of them will prove to be devastating. Simply research the rise and fall of known companies (even empires) over the last ten years.

**We can differentiate five stages of growth and their related problems:**

**Not available in the unregistered version!**

# Insurance



Get properly insured when starting or running a business. Discuss your situation with your accountant or auditor. Make the necessary arrangements well in advance.

## Some insurances you must consider:

- **employers liability**

this is compulsory if you have employees or are a director of a limited company.

- **business car insurance**

your car should be insured for business use.

- **special risks**

there may be special risks which need to be covered for your particular type of business.

- **fire, theft, damage to stock, assets or money**

this may include taking cash to the bank and loss of profit and business interruption.

- **public liability**

this covers you if you injure third parties or damage other people's property.

- **product liability**

this will protect you from the effects of legal action where your products have been accused of being faulty and causing injury and/or damage.

- **professional indemnity**

this protects professionals such as computer program consultants, surveyors or architects from the effects of legal action caused by alleged sub-standard work.

- **goods in transit insurance**

to cover the value of goods being moved by vehicle, train or otherwise.

- **life and pension assurance**

a good way of protecting you and your business and saving for the future.

- **health and accident insurance**

loss of profit and business interruption policies provide you with peace of mind and valuable cover.

- **share protection**

to cover the death of your partner or fellow director, which will enable you to retain control of the business.

## Rent, buy or lease



### Renting

**Not available in the unregistered version!**

### Buying

**Not available in the unregistered version!**

### Leasing

**Not available in the unregistered version!**



## **If you need credit**



### **What does ANY bank look for?**

First of all, let it be clear: SECURITY, NO RISK! Banks need to make profits and they (most of them anyway) do. Making profits means taking as little risks as is necessary to make the desired profits.

### **Aspects that are important to the bank:**

**Not available in the unregistered version!**



**We have an internal bank loan form available at the user lounge business section!**

## Operating leverage



The break-even chart also serves to determine the operating leverage. This is the change in profit that results from a small change in sales.

**Not available in the unregistered version!**

## Profit to volume ratio



Profit to volume ratio

**Not available in the unregistered version!**

## Audiences of your plan



A business plan can help to organize the roles and responsibilities of all the people involved in your business. Even if it's just for your own benefit, a checklist of all the different tasks performed by individuals (or classes of individuals, if you have many employees) may be useful.

It can be a little difficult to predict how many people your business is going to need, particularly if you're in a new business. The process of creating a business plan can help a lot.

### Internal audience

**Not available in the unregistered version!**

### External audience

**Not available in the unregistered version!**

## Owning a business



Owning a Business, its benefits and its disadvantages.

**Not available in the unregistered version!**

## Reasonable assumptions



There are several broad types of assumptions that you're going to have to make. These assumptions are what support and quantify the projections that you'll make in the plan.

**Not available in the unregistered version!**

## Get foreign capital



### Seed Financing for Your Business

**Not available in the unregistered version!**

### EQUITY

**Not available in the unregistered version!**

### LOANS

**Not available in the unregistered version!**

# Equity funding



## Sources of Equity Financing

**Not available in the unregistered version!**

Three important sources of equity financing:

**Not available in the unregistered version!**



## Real estate lease



Negotiating a real estate lease for your business is a tedious, and potentially very costly affair. It is important to have a lawyer review your lease. But before you get your lawyer going, here are some key items to ask about.

**Not available in the unregistered version!**



**The complete checklist is available in HTML in the User Lounge Business section.**