



Community Futures Cowichan

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MICRO LOAN BUSINESS LOAN APPLICATION

IMPORTANT NOTE: All Micro Loan applicants must complete a standard business loan application form. If you are starting a new business you may either provide a business plan for the new venture or complete this form.

BUSINESS DETAILS: We have seen many businesses both big and small succeed and fail for a variety of reasons. Along the way we have learned that there are some basic business details that all people should consider when going into business for themselves. This form is meant to ensure these “basic details” are addressed.

Starting a new business can hold many surprises. Everything can be a surprise if you have not thought about it or prepared for it. Sound business planning and having a contingency plan for potential events can help keep your business afloat. Most new businesses that fail did not plan-to-fail, they failed-to-plan.

Failing on paper is far cheaper and less stressful than failing in business. This is why we ask that you carefully consider and answer all questions on this form. This is your business blueprint. Be honest with yourself and set realistic sales expectations. This could make the difference between the success and failure of your proposed business.

MICRO LOAN RISK: The information you provide us with in this application assists us in determining the risk involved in lending you money. Risk is based mostly on business management and earning potential. It is risk that we will consider when deciding upon your micro loan application. A Micro Loan is a normal business loan that must be repaid



Your Business Idea

1) In a few sentences, please summarize your business or business idea

2) Do you plan to build on an existing business or to start a new business?

Target Market

1) Who is your target customer?
Describe their characteristics such as age, income, buying patterns, geographic area(s), trends, etc.

2) What need or opportunity is your product or service addressing?



Target Market Continued...

3) Who is your competition within and outside of the region? What are their strengths and weaknesses?

4) Why will people buy from you or use your services instead of the competition?

Operations

1) Do you have/need any specific equipment to operate your business?

2) Where will the business be located? Are renovations, repairs or improvements required?



Production

1) What steps are required to make your product or provide your service?

2) Who will do the steps above?
Are you dependent on anyone, and if so, what will you do if they become unavailable?

Marketing

- 1) What steps are involved in selling your product or service?
Do you have time to produce and sell, or will distributors, shippers, and agents be needed?
- 2) How will you connect with your target customer(s)
- 3) Do you have a marketing plan?

Finances

1) What price will you charge, how did you decide on this price, and how does it compare with your competition? Will customers think this is a fair price?



Finances Continued...

2) What do you expect your cash-in from sales versus your cash-out for purchases and expenses to be in the first 12 months?

3) List all funds from other sources you plan to use to start your business.
This could include personal savings, loans from friends or family, etc.

SOURCE	AMOUNT(\$)

4) How will the total funds from the micro loan and those listed above be used?
I.e: equipment, inventory, materials, wages, etc. Be specific.

SOURCE	AMOUNT (\$)

5) If your business does not succeed, how will you repay the loan?

