CLARIVA · FREE TEMPLATE

Business Plan Template

For a Canadian bank, credit union or CSBFP loan

The structure a credit desk expects, a note on what each part has to prove, and – the part no other template gives you – where every number comes from.

17 parts – the same document structure we deliver to lenders

5 questions – what the analyst is actually reading for, in order

0 figures – every number here is a placeholder that names its source

Version September 2026 · Word format · free to use and share

clarivagroups.ca/business-plan-template

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How to use this template

This is the structure of a business plan a Canadian credit analyst expects to see, in the order they expect to see it. It is the same seventeen-part structure we deliver to lenders. What it is not is the thing that gets a plan approved. Structure is free. The numbers under it are the work.

Three kinds of text in this file:

- **Headings and tables:** the plan itself. Keep them. A lender reads by the headings, and the tables are the ones an analyst looks for.
- **Grey boxes:** what the reader must find in that part. Read, then delete.
- **Gold boxes:** where the numbers come from – the public source for each figure a lender will check. Read, use, then delete.

Text in {braces} is yours to replace. When every brace and every box is gone, what remains is your document, not ours. Replace the footer with your company name at the same time.

The one rule

Every figure has a source, and every claim about the market carries a numbered endnote. Not because a lender will check each one – because an analyst can tell within a page whether the figures were looked up or typed. A plan with round numbers and no sources is a plan written to fit a hope, and credit desks are trained to find those.

The five questions the analyst is reading for

A credit analyst does not read a plan front to back. They look for five answers, in this order, and check whether they agree with each other. Everything else – market, competitors, operations – is read after these have been found. Write the plan so that each one is where they will look for it.

#	Question	Where the answer has to be
1	How much, and for what	Page one of the summary. A sources and uses table mapped to the asset classes the program funds, with supplier quotes behind the equipment lines (Parts I, XV).
2	What repays it	Debt service coverage in every year, a first year built month by month, cash that never goes below zero (Part XIV).
3	What if it goes wrong	A downside with its breaking point named: revenue can fall by a stated percentage before coverage reaches the covenant (14.5.2).
4	How much of your own money	Capital structure – your share of the project cost and where it comes from (Parts I, XV).
5	Who you are	Management, written so a first business is answered with transferable experience (2.3).

Why the five matter. If debt service coverage is not stated in the document, the analyst calculates it from your own P&L and loan schedule. At that point it is their number, arrived at without your explanation attached. State it. State it three times: summary, projections, funding request. Make sure all three agree.

Front matter

Cover

{Company legal name} · Business Plan · {one-line concept} · {address} · {month year} · Prepared by {founders} · Prepared for {lender, or 'lenders under the Canada Small Business Financing Program'} · Strictly confidential}

Confidentiality and readership notice

This business plan is provided to the reader solely for the purpose of evaluating a financing request by {Company}. The information it contains is confidential. The reader agrees not to disclose it without the written consent of {Company}, and to return or destroy this document on request. This document is a business plan; it does not constitute an offer of securities. Projections are estimates prepared by management on the assumptions stated in Parts VIII–XIII and are not a guarantee of future results.

Table of contents

Generated. In Word: right-click the table of contents and choose Update Field after your last edit.

Part I · Executive Summary

What the reader must find here. What the business is, how much is requested and for what, how it will be repaid (the coverage ratio), how much of the owners' own money is in the project, and the one number that says how much can go wrong. Two pages. Written last, from the finished forecast – never first.

1.1 Business overview

{Company} is a {concept} to be located at {address} in {neighbourhood}, {city}, {province}. The Company will operate as a {legal form} owned {ownership split} by {founders}. Two or three sentences: what is sold, to whom, why this location – with the two or three hard facts that carry the case: foot traffic, catchment income, an anchor institution.}

1.2 The opportunity

Market gap.

{One paragraph: the demand indicators (population, income, traffic, anchor demand) and the absence or distance of comparable supply. Numbers, distances, names.}

Why now.

{Three or four bullets, each a trend with a source: consumer behaviour, category growth, local development, a regulatory or cost tailwind.}

1.3 Mission and vision

Keep it short. Two sentences each. Banks do not fund missions; the section is here because its absence is noticed.

{Mission.} {Vision.}

1.4 Key financial highlights

Total project cost	{$}
Loan financing requested ({program})	{$}
Owner equity injection	{$} ({%} of project)
Revenue, Year 1 / Year 5	{$} / {$}
EBITDA, Year 1 / Year 5 · margin Year 5	{$} / {$} · {%}
Net income, Year 1 / Year 5	{$} / {$}
Debt service coverage, Year 1 (lender minimum {1.25×})	{x.xx×}
Revenue shortfall the covenant survives, Year 1	{%}

First EBITDA-positive month · first cash-positive month	Month {n} · Month {m}

Consistency. Every figure in this table appears again in Part XIV and Part XV. An analyst checks that they match. If you are producing them by hand rather than from a model, this is the table that will catch you – see the note at the head of Part XIV.

1.5 Funding request and financing summary

{Company} is seeking {$} under the {program}, structured as {a term loan on equipment and leasehold improvements, and a revolving working-capital line}, alongside an owner equity contribution of {$} ({%} of the project).}

Uses of funds	$	Sources of funds	$

Uses by the program's asset classes – equipment · leasehold improvements · real property · intangibles · working capital – plus taxes, delivery and any financed registration fee. Sources: term loan · revolving line · owner equity · other. The two totals must be equal.

Where the numbers come from

Eligible asset classes, maximums, registration fee, rate cap – Canada Small Business Financing Program, ISED – ised-isde.canada.ca (the program page states the current figures; check them the week you file, they change)

Other programs – Futurpreneur (futurpreneur.ca), BDC (bdc.ca), your credit union's small-business lending page

Every figure in 1.4 – your financial model – Part XIV. Nothing in this section is typed independently

Part II · Company Description

What the reader must find here. Who owns it, where it operates, who runs it, and what has to happen by when. The analyst is checking for a lease or an offer that is real, a team that can run this, and milestones that match the draw schedule in Part XV.

2.1 Legal structure and ownership

Legal name	Structure	Registered (date)	CRA business number	GST / PST

Shareholder	Ownership %	Role

2.2 Location and facilities

Address	Area (sq ft)	Zoning	Rent $/sq ft	Operating costs	Term & options	Status

Insert a map. A map of the trade area – the premises pinned, a walking or driving radius drawn, the anchors named. Not a map of the city. The analyst wants to see who is within reach, not where the city is.

2.3 Management team

What the reader must find here. Each biography answers 'why will this person make this work' in its first two sentences, then gives the evidence. For a first business, name the concern yourself and close it with the transferable skill: finance, marketing, operations, the industry the founder is leaving. End with the division of responsibilities.

{Founder A} – {title}. {Bio.}

{Founder B} – {title}. {Bio.}

{Advisers, accountant, key hire – one line each, if they strengthen the case.}

2.4 Three-year objectives

{Five to seven bullets, each measurable and dated: financing closed by …; opening by …; Year-1 revenue of …; second revenue line launched in …; coverage maintained above …; team of … by ….}

2.5 Keys to success

{Four or five, specific to this business and checkable, each pointing to the section that proves it: capacity → 4.1.2; location → 2.2; unit economics → Part X. No adjectives without a number.}

2.6 Milestones and phasing

Activity	Month

From financing close to steady state: lease executed · permits · build-out and equipment delivery · hiring and training · soft launch · opening · second line launched · first review with the lender.

Where the numbers come from

Registration, business number – your provincial registry (e.g. BC Registries) and CRA – canada.ca/business-number

Zoning – your municipality's zoning bylaw and map; the planning department will confirm a use by email

Lease terms – your signed lease or letter of intent – attach it (Appendix F)

Trade-area population and income – Statistics Canada Census Profile 2021, by census tract or dissemination area – statcan.gc.ca

Anchors and radius – Google Maps; your municipality's community profile for institutions and employers

Part III · Products and Services

What the reader must find here. What is sold, at what price, and what share of revenue each line carries. The analyst reads this against Part IX: the prices here have to be the prices the forecast uses.

3.1 Offering

{What is sold and what makes it the premium, value or niche choice it claims to be. Concrete: ingredients, process, format, service.}

3.2 Product lines and pricing

Product line	Description	Price range	Share of revenue, Year 1	Share at steady state

{Expansion lines for Year 2 onward, listed separately with the year each starts.}

3.3 {Product-specific section}

{Menu or flavour strategy, service tiers, package structure – whatever the concept needs the reader to understand before the operations section.}

Where the numbers come from

Price points – the published menus and price lists of the three nearest comparable businesses, with the date you checked

Your input costs – supplier quotes – the same ones that feed Part X

Part IV · Operations Plan

What the reader must find here. Can the premises, the equipment and the staff produce the volume the forecast assumes? The analyst is looking for the capacity table: peak demand against what the floor and the equipment can handle. If it is not here, the revenue in Part IX is unsupported.

4.1 Process overview

{Method of production or service delivery and why it was chosen – equipment avoided, consistency, labour.}

4.1.1 Daily schedule

Time	Activity	Detail

4.1.2 Capacity analysis

Metric	Capacity	Peak utilisation	Headroom

{Key finding: at peak demand of {n} per day, capacity utilisation is {%} – {headroom} – so volume in the revenue forecast is not constrained by equipment or floor.}

4.2 Equipment

Item	Model	Cost (pre-tax)	Purpose	Quote attached

Item	Model	Cost (pre-tax)	Purpose	Quote attached

4.3 Quality control and compliance

{Input quality · production standards · food-safety or sector certification · permits and inspections · allergen or safety management. Name the regulator and the permit.}

4.4 Suppliers

Category	Primary supplier	Backup	Delivery frequency

4.5 Staffing

Season	Months	Hours / day	Staff per shift	FTE hired	Owner FTE	Total FTE

Owner labour. State whether owner labour is paid. Part XIV tests coverage both ways, and a lender will ask what the owners live on.

4.6 Technology systems

{Point of sale · accounting · scheduling · marketing · delivery platforms – with the year each is adopted.}

Where the numbers come from

Equipment cost and capacity – supplier quotes and specification sheets – attach the quotes (Appendix E). An analyst treats a round number with no quote behind it as a guess

Food safety and health permits – your provincial or regional health authority (in BC, the regional health authority and FOODSAFE certification); for other sectors, the licensing body

Business licence and permits – your municipality's business licence office and fee schedule

Staffing rules and minimum wage – your province's Employment Standards branch – minimum wage, hours, statutory holidays, and the schedule of announced increases

Workers' compensation rates – your provincial board (e.g. WorkSafeBC) – the rate for your classification unit

Part V · Market Analysis

What the reader must find here. Is there demand, how much, and is it growing or shrinking? Every figure in this part carries a numbered endnote to a real source with its year. This is the part most self-written plans fill with adjectives; the analyst skims it for whether the numbers were looked up.

5.1 Industry overview and size

{Category size, growth, per-capita consumption, the relevant sub-segment – each with an endnote. Regional advantage if any: climate, demographics, policy.}

Metric	Value	Source (year)

5.2 Industry structure

Factor	Rating (low / moderate / high)	One line of reasoning
Concentration		
Barriers to entry		
Regulation		
Life-cycle stage		
Revenue volatility		
Competition		
Innovation		

5.3 Key market drivers

{Four drivers with direction (positive or negative) and a sentence on how each moves this business's revenue: consumer spending, household income in the catchment, tourism or student population, the input-cost trend.}

5.4 Consumer trends

{Two to four trends the concept is built on, each sourced and each tied to a product decision.}

5.5 Market size: TAM / SAM / SOM

Level	Definition	Calculation	Estimate

{Validation: Year-1 revenue of {$} is {%} of the serviceable obtainable market, {below / within} the range for comparable independent operators ({range}, source).}

5.6 Local demographics and segmentation

Indicator (catchment)	Value	Implication

Segment	Description	Characteristics	What they buy	When they come

Where the numbers come from

Industry size, revenue, number of businesses, growth – free, by NAICS code – Canadian Industry Statistics, ISED – ised-isde.canada.ca/app/ixb/cis. Find your six-digit NAICS code first; everything else keys off it

Industry revenue series – Statistics Canada data tables – statcan.gc.ca (e.g. monthly food services and drinking places receipts; retail trade by subsector); IBISWorld Canada if you have library access

Catchment population, age, household income – Statistics Canada Census Profile 2021, by census tract – statcan.gc.ca. Use the tract, not the city

Consumer trends – Statistics Canada 'The Daily' releases; your industry association (Restaurants Canada, Retail Council of Canada, and the equivalent for your sector); Agriculture and Agri-Food Canada consumer reports for food

Tourism and visitor volumes – Destination Canada and your provincial tourism agency's statistics page; the local destination marketing organisation

Student or institutional population – the institution's own enrolment or headcount report

Part VI · Competition and Positioning

What the reader must find here. Named competitors with distance and position, a matrix that shows the gap you are taking, and a SWOT specific enough to be wrong. The weakness the analyst would name first should be the first one you name – with its mitigant in the same cell.

6.1 Direct competitors

Competitor	Location	Positioning	Distance	Rating · reviews	Price band	Threat

6.2 Positioning matrix

Feature	{Company}	{Competitor A}	{Competitor B}	{Competitor C}

Price · quality · convenience · ambience · access · hours. State the gap the matrix shows.

6.3 Competitive advantages

{Five to seven bullets, each a claim and its evidence: location, product, cost structure, team, channel, experience. No adjectives without a number or a name.}

6.4 SWOT

Strengths	Weaknesses (with mitigant)

Strengths	Weaknesses (with mitigant)

Opportunities	Threats (with mitigant)

Where the numbers come from

Competitor locations, hours, ratings, review counts – Google Maps and Google Business Profile listings, with the date checked; Yelp for a second read

Competitor prices and positioning – their websites and menus; a visit. An analyst who knows the sector will know if you have not been

Distance – Google Maps walking and driving time from your premises

Part VII · Marketing Strategy

What the reader must find here. How customers will find out, what it costs, and whether the budget in this part equals the marketing line in the forecast. The benchmark table at the end is the one the analyst reads: cost of sales, labour and margin against what the industry actually runs at.

7.1 Strategy framework

Product format	Price	Strategic rationale

7.2 Channel allocation

Channel	% of budget	Year-1 $	Primary target

{Total equals the marketing line in Part XI.}

7.3 Seasonality management

Strategy	Implementation	Expected impact

7.4 Industry performance benchmarks

Metric	Industry benchmark	{Company} target	Status

Metric	Industry benchmark	{Company} target	Status

Cost of sales %, labour %, prime cost (the two together), gross margin, marketing %. Sources named.

Where the numbers come from

Expenses as a percentage of revenue for businesses like yours – free, by NAICS – Financial Performance Data, ISED – ised-isde.canada.ca/app/scr/app/cis/performance. Cost of sales, wages, rent, marketing and net profit as % of revenue for small businesses in your industry and province. The single most useful free table in Canada, and almost no self-written plan uses it

Productivity and profit benchmarks – BDC's Canadian business productivity benchmarking tool – bdc.ca

Sector norms – your industry association's operations survey (e.g. Restaurants Canada for food service)

Part VIII · Financial Model Methodology

What the reader must find here. How the forecast was built and what its words mean. An analyst reads this to decide how much to trust Parts IX–XIV. Definitions set here are never redefined later: if 'overhead' means one thing in Part XI and another in Part XIV, the whole forecast is discounted.

8.1 General methodology

The financial model was developed using a bottom-up approach, constructing monthly cash-flow projections from operational drivers – price, volume, capacity, staffing and input cost – rather than from top-down growth rates. Primary data sources include: publicly available pricing from comparable businesses in the {city} market; official statistics from Statistics Canada, the Bank of Canada and the IMF; taxation guidance from the Canada Revenue Agency and the {province} Ministry of Finance; industry benchmarks from {sector sources}; and site-specific demographic and traffic data from {municipality / institution}.

Only if it is true. The paragraph above is true of a model built from drivers. If your forecast is a growth rate applied to a first-year number, do not write it – the analyst will see the difference by Part IX, and a methodology paragraph that the numbers contradict costs more than no paragraph.

8.2 Forecast period

{Start date} to {end date} – five fiscal years, sixty months. Five years because it covers the term of the facility and because the business is expected to reach steady state within it. Longer if the asset financed lasts longer.}

8.3 Functional currency

All projections are denominated in Canadian dollars, the functional currency of the Company and the currency in which substantially all revenues and expenses arise.

8.4 Basis of projection

Projections are prepared on a nominal basis. Prices, wage rates and operating costs are escalated annually using the consensus forecasts in Part IX: consumer price inflation for prices and general operating costs, wage growth for labour, and sector input inflation for cost of goods sold.

8.5 Income taxation

Federal small-business rate	Provincial small-business rate	Combined rate applied

8.6 Depreciation and amortization

{Straight-line over estimated useful lives: production equipment {n} years; furniture, fixtures and technology {n} years; leasehold improvements over the shorter of useful life and the initial lease term ({n} years). Book depreciation in the projections; capital cost allowance in the tax computation.}

8.7 Working capital

{Inventory of {n} days of cost of goods sold ({reason}); accounts receivable of {n} days ({card settlement, or credit terms if business-to-business}); accounts payable of {n} days on standard supplier terms.}

8.8 Definitions used in this plan

- **Gross profit:** revenue less cost of goods sold. Gross margin – gross profit as a percentage of revenue.
- **Labour costs:** wages, employer payroll taxes and workers' compensation premiums for hired staff. Owner labour is unpaid in the base case and tested separately in 14.5.1.
- **SG&A (excluding labour):** occupancy, utilities, marketing, insurance, permits, maintenance, professional fees and other operating expenses.
- **EBITDA:** gross profit less labour costs less SG&A.
- **Debt service:** scheduled principal and interest on all facilities, including interest and fees on any revolving line.
- **DSCR:** EBITDA divided by debt service for the same period.
- **Break-even (EBITDA):** the revenue at which EBITDA equals zero. Break-even (cash) – the revenue at which EBITDA equals debt service. The second is the one a lender means.

Where the numbers come from

Corporate tax rates, federal and provincial, and the small-business limit – Canada Revenue Agency – canada.ca, 'Corporation tax rates'; your provincial Ministry of Finance for the provincial rate

Capital cost allowance classes and rates – Canada Revenue Agency – 'Classes of depreciable property'

Inflation basis – Part IX, below

Part IX · Key Assumptions and Inputs

What the reader must find here. The drivers under the forecast: what inflation was applied, what each revenue line is built from, how the year is shaped. Prices and costs frozen for five years are the signature of a template; the analyst looks here first for it.

9.1 Macroeconomic assumptions

Consumer price inflation	Year 1	Year 2	Year 3	Year 4	Year 5

Rows: Bank of Canada · IMF · OECD · a major bank's economics department · consensus (the row used).

Wage growth	Year 1	Year 2	Year 3	Year 4	Year 5

Input-cost inflation	Year 1	Year 2	Year 3	Year 4	Year 5

9.2 Revenue assumptions

Structure. One subsection per revenue line: driver → price → volume → seasonality → resulting Year-1 revenue. Ancillary lines start in the year the forecast starts them.

9.2.1 {Core line 1}

Driver	Value	Basis

Driver	Value	Basis

Average units per transaction · price points · attach rates · blended average transaction value · transactions per hour at capacity · utilisation by season.

9.2.2 {Core line 2}

Unit	Price	Volume driver

9.2.3 Ancillary revenue (Year {n} onward)

Line	Products / services	Pricing basis	Estimated revenue per year	Start year

9.3 Seasonality

Month	Season class	Operating hours	Staff per shift	Utilisation range
January				
February				
March				
April				
May				
June				
July				
August				
September				
October				

Month	Season class	Operating hours	Staff per shift	Utilisation range
November				
December				

Where the numbers come from

Consumer price inflation forecast – Bank of Canada Monetary Policy Report – bankofcanada.ca/publications/mpr (quarterly, with a two-year projection); IMF World Economic Outlook, Canada – imf.org; OECD Economic Outlook – oecd.org; any major Canadian bank's economics forecast page (RBC, TD, BMO, Scotiabank, CIBC publish them free)

Wage rates by occupation and region – Job Bank wage reports – jobbank.gc.ca, 'Explore wages'. Low, median and high wage by occupation and economic region; the most defensible source for a hiring schedule

Minimum wage and announced increases – your province's Employment Standards page

Food and input inflation – Statistics Canada Consumer Price Index, food component – statcan.gc.ca; Canada's Food Price Report (Dalhousie University and partners, annual) for the year ahead

Your prices – Part III – the comparables you checked, with the date

Seasonality – your own trading history if you have it; otherwise your industry association's seasonal index, and the local tourism or academic calendar that drives it

Part X · Cost of Goods Sold and Unit Economics

What the reader must find here. What it costs to make or deliver one unit, built from input prices up. This is the chain that separates a bottom-up forecast from a percentage: an analyst who sees 'COGS 30%' with nothing under it knows the number was chosen, not calculated.

10.1 COGS overview and blended margin

{The projected blended cost of goods sold for Year 1 is {%} of revenue, a gross margin of {%}, consistent with the benchmark range for {sector} ({range}, source).}

Revenue line	COGS %	Gross margin	Revenue mix (steady state)	Commissions

10.2 Unit cost build

Input	Cost per unit of input	Mix %	Weighted cost

Cost per unit sold	Product	Packaging	Other	Total COGS per unit	Contribution at list price

Where the numbers come from

Input prices – your supplier price lists and quotes, dated

Gross margin benchmark for your industry – ISED Financial Performance Data (Part VII) – cost of sales as % of revenue for your NAICS code

Food cost trajectory – Canada's Food Price Report; Statistics Canada CPI food component

Part XI · Operating Expenses

What the reader must find here. Labour and overhead, each line with its basis. The total here reappears in Part XIV as two lines – labour costs and SG&A excluding labour, as defined in 8.8 – and the two totals must agree to the dollar.

11.1 Labour costs

Role	Hourly rate	Hours / week	Weeks	Payroll taxes & WCB	Annual cost

{Total Year-1 labour cost of {$} ({%} of revenue), {n} FTE of owner labour unpaid – see 14.5.1.}

11.2 Occupancy

Base rent (area × rate)	Operating costs (CAM, tax, insurance)	Contract total	Modelled Year-1 total	Escalation basis

11.3 Utilities

Electricity	Gas	Water & sewer	Telecommunications	Total monthly	Total annual

Plausibility. If the figure is low for the equipment you listed in 4.2, say why. An analyst from the sector will notice $115 a month of electricity beside a freezer wall.

11.4 Marketing

{Marketing expenditure is {%} of revenue ({$} in Year 1); channel split in 7.2.}

11.5 Other operating expenses

Expense	Frequency	Annual cost

Licences, permits, insurance, certification and training, maintenance, accounting, waste and cleaning, professional fees.

11.6 Total operating cost summary

Category	% of revenue	Year-1 $
Occupancy		
Utilities		
Labour		
Marketing		
Other		
Total operating costs (labour + SG&A)		

Reconciliation: the total appears in 14.2 as two lines, labour costs and SG&A excluding labour.

Where the numbers come from

Employer payroll taxes – Canada Revenue Agency payroll deductions tables – CPP and EI employer rates for the year; provincial employer health tax if it applies to you

Workers' compensation premium – your provincial board's rate for your classification

Rent reasonableness – your lease; for a sanity check, the commercial brokerages' quarterly market reports (CBRE, Colliers, Cushman & Wakefield publish them free by city)

Utility rates – your provincial utility's business rate schedule; the landlord for what is metered and what is included

Insurance – a broker's written quote – attach it

Licences and permits – your municipality's fee schedule

Overhead benchmarks – ISED Financial Performance Data (Part VII) – rent, wages, marketing as % of revenue for your industry

Part XII · Capital Expenditures and Depreciation

What the reader must find here. What is bought, when, and what it is worth on the books each year. The closing net book value in 12.4 must equal the property, plant and equipment line on the balance sheet in 14.4 – an analyst checks this in seconds.

12.1 CAPEX structure

Type	What	When	Basis

Initial · growth · support (replacement and refurbishment, as % of revenue or a schedule).

12.2 Initial capital expenditure

Component	Amount (pre-tax)	GST	PST (where applicable)	Delivery & installation	Total

12.3 Growth CAPEX

Item	Purpose	Base cost	Tax	Year

12.4 Depreciation schedule

Year	Opening NBV	Additions	Depreciation	Closing NBV
Year 1				

Year	Opening NBV	Additions	Depreciation	Closing NBV
Year 2				
Year 3				
Year 4				
Year 5				

Additions equal support plus growth CAPEX of the year. Closing NBV equals net PPE in 14.4.

Where the numbers come from

Equipment and build-out cost – supplier and contractor quotes – attach them

Sales tax on purchases – Canada Revenue Agency GST/HST rates; your province's PST rules for equipment

Useful lives – Canada Revenue Agency capital cost allowance classes as a reference point; manufacturers' expected-life statements for the equipment itself

Part XIII · Working Capital

What the reader must find here. How much cash sits between paying suppliers and being paid. The days assumed here have to match how the business is actually paid: thirty days of receivables in a business paid by card at the counter is a template value, and an analyst from the sector will discard the forecast on it.

13.1 Definition

Net working capital = accounts receivable + inventory − accounts payable.

13.2 Turnover assumptions

Component	Days	% of driver	Rationale

13.3 Net working capital projection

Year	Revenue	COGS	AR	Inventory	AP	NWC	Change in NWC

{State whether working capital is a source or a use of cash and why – in a cash business, payables usually exceed receivables plus inventory.}

Where the numbers come from

Receivable days – your payment processor's settlement terms (typically one to two business days for card), or your customers' credit terms if business-to-business

Inventory days – your suppliers' delivery frequency and the shelf life of what you hold

Payable days – your suppliers' stated terms – net 15, net 30, or cash on delivery for a new account

Part XIV · Financial Projections

Where most self-written plans stop being read

Everything before this page can be written. This part has to be calculated, and calculated in a way that ties: the profit and loss adds down line by line, the cash flow closes to the balance sheet, the depreciation schedule closes to the fixed-asset line, and debt service coverage reads the same in the summary, here, and in the funding request. An analyst does that arithmetic in the first five minutes, and a table that does not tie ends the reading.

Five figures decide the file. Debt service coverage in every year, at or above the lender's floor (commonly 1.25×). The lowest cash balance across the forecast and the month it falls in – above zero. How far revenue can fall before coverage reaches the floor. Break-even on cash, not only on EBITDA. Coverage after the owners pay themselves a wage. If you can produce those five from a model that ties, fill in the tables below. If you cannot, that is the part we build: a bottom-up model in Excel, the plan written around it, and every figure in Parts I–XV taken from the same cells.

If you already have a draft and want it read the way a credit desk reads it, that is a Plan Check: a written report on what would fail, for CA$490, credited in full against any engagement within sixty days. clarivagroups.ca/business-plan

14.1 Financial highlights

	Year 1	Year 2	Year 3	Year 4	Year 5	5-year total
Revenue						
Gross profit						
EBITDA						
Net income						
Gross margin						
EBITDA margin						
Net margin						

Chart: revenue by year with EBITDA margin on the second axis.

14.2 Projected income statement

	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue					
Year-on-year growth					
Cost of goods sold					
Gross margin %					
Labour costs					

	Year 1	Year 2	Year 3	Year 4	Year 5
SG&A (excluding labour)					
EBITDA					
EBITDA margin					
Depreciation					
Interest expense					
Income tax					
Net income					

It must add down, line by line, in every column.

14.3 Projected cash flow

	Year 1	Year 2	Year 3	Year 4	Year 5
Net income					
Depreciation					
Change in working capital					
Cash from operations					
Capital expenditure					
Cash from investing					
Loan proceeds					
Principal repayments					
Revolving line (net)					
Equity contribution					
Cash from financing					
Net change in cash					
Opening cash					
Closing cash					

Chart: closing cash, sixty months, with revolving-line use. State the cash trough and its month.

14.4 Projected balance sheet

	Year 1	Year 2	Year 3	Year 4	Year 5
Cash					
Accounts receivable					
Inventory					

	Year 1	Year 2	Year 3	Year 4	Year 5
Net PPE					
Total assets					
Accounts payable					
Term loan					
Revolving line					
Total liabilities					
Contributed equity					
Retained earnings					
Total equity					
Total liabilities and equity					
Check (assets − liabilities − equity)					

It balances in every year, and the check is shown, not assumed.

14.5 Debt service coverage

Year	EBITDA	Debt service	DSCR	Status vs {covenant}
Year 1				
Year 2				
Year 3				
Year 4				
Year 5				

{Assessment: headroom in words, and what debt service includes – every facility, not only the term loan.}

14.5.1 Owner compensation sensitivity

The coverage ratios above are calculated on EBITDA as modelled, which assumes the founders draw no salary and contribute {n} FTE of unpaid labour. Because a lender will test whether the business can service its debt and compensate its owners, the table below restates coverage on two further bases.

Basis	Year 1	Year 2	Year 3	Year 4	Year 5
As modelled					
Less replacement labour at market wage					
Less a market-level owner draw					

If any cell is below the covenant, say so, say why, and say what covers it.

14.5.2 Downside scenario

Purpose. The plan names its own breaking point. Labour and occupancy held fixed; cost of goods sold and commissions scale with revenue. The result is one number – how far revenue can fall before coverage reaches the covenant – and it goes into the executive summary.

Year-1 revenue vs plan	100%	−10%	−20%	−{N}%
EBITDA				
Debt service				
DSCR				

'Revenue can fall {N}% below plan before the {covenant} covenant is breached.'

14.6 Break-even analysis

Fixed operating costs, Year 1	{$}
Contribution margin	{%}
EBITDA break-even revenue	{$} · {units}
Cash break-even revenue (fixed costs + debt service)	{$} · {units}
Margin of safety vs plan	{%}
First EBITDA-positive month · first cash-positive month	Month {n} · Month {m}

14.7 Summary metrics

Cumulative revenue · cumulative net income, 5 years	{$} · {$}
Revenue CAGR · EBITDA CAGR	{%} · {%}
Payback of owner equity	Month {n}
Cash trough and month	{$} · Month {n}
Peak revolving-line draw · month repaid	{$} · Month {n}

Where the numbers come from

Every figure in this part – the financial model. None of it is typed; all of it is read from the same cells that feed Parts I and XV

The coverage floor – your lender's term sheet or the program's lending guidelines – 1.25× is common, not universal

Loan terms for the debt-service line – Part XV, from the lender's term sheet: rate, term, interest-only period, amortisation

Part XV · Funding Request

What the reader must find here. The ask, structured the way the program is structured. Uses mapped to the asset classes the program will finance, sources opposite, totals equal, and the owners' contribution with its origin. A lender reads this part immediately after the summary.

15.1 Capital structure

Facility	Amount	% of total

Term loan (as % of eligible assets) · revolving line · owner equity, with its source – savings, sale of an asset, family · total project cost.

15.2 Sources and uses

Uses, by program asset class	$	Sources	$

15.3 Loan terms

Principal	{$}
Rate	{Prime + spread}
Term · amortisation	{months} · {months}
Interest-only period	{months}
Monthly payment (interest-only / principal + interest)	{$} / {$}
Total interest over term	{$}
Fees	{registration fee, if any}
Security	{general security agreement, personal guarantees}

{Revolving line, if any: limit · rate · commitment fee · purpose · repayment mechanism.}

15.4 Repayment capacity

Year-1 debt service	{$}
Year-1 EBITDA	{$}
Year-1 DSCR (vs {covenant})	{x.xx×}
Year-2 DSCR	{x.xx×}
Cumulative cash flow, 5 years	{$}
Cash-positive month	Month {n}
Revenue haircut to covenant	{%}

15.5 Security and guarantees

{Personal guarantees (who, extent); general security agreement over financed assets; program registration fee (financed or not); any other collateral offered.}

Where the numbers come from

Program rules – eligible asset classes, maximums, fee, rate cap, guarantee terms – Canada Small Business Financing Program, ISED – ised-isde.canada.ca. Read the current program page, not a summary of it: the maximums and the fee have changed more than once

Your facility's actual terms – the lender's term sheet or letter of interest. Every cell in 15.3 comes from it, and the debt-service line in Part XIV is calculated from these terms and no others

Alternative and complementary programs – Futurpreneur (futurpreneur.ca) with its BDC portion; BDC (bdc.ca); provincial and regional development agencies for your area

Part XVI · Risks and Mitigants

What the reader must find here. Five to eight risks, each with its likelihood, its impact, what answers it, and where that answer sits in the forecast. The risk the analyst would name first should be your first row. A plan with no risks in it is read as a plan whose author did not look.

Risk	Likelihood	Impact	Mitigant	Where in the forecast

Seasonality and the cash trough · input-cost inflation · labour availability · regulatory or permitting delay · competitor entry · key person · demand below plan (link to 14.5.2) · construction or equipment delay.

Part XVII · Appendices

- **A.** Financial model (Excel) – sheet map and check summary
- **B.** Monthly income statement, Year 1
- **C.** Monthly cash flow, Year 1
- **D.** Debt amortisation schedule, all facilities, sixty months
- **E.** Equipment quotes
- **F.** Lease or letter of intent
- **G.** Founders' résumés and credentials
- **H.** Market research sources – the numbered endnotes referenced throughout

Appendices B and C. The monthly first year (B and C) is not optional for a seasonal business. A business can be profitable across the year and run out of cash in February, and the annual tables will not show it.

Before you send it

The checks a plan passes before it leaves us. Every item was once somebody's error – in a published sample or in one of our own drafts. Run them against your document; the first two groups take ten minutes and catch most of what ends a reading.

Arithmetic on the page

- The income statement adds down, line by line, in every year, with labour on its own line.
- Every roll-forward closes – opening plus additions less depreciation equals closing – and closing equals the balance sheet.
- Sources equal uses. Percentages reach one hundred.
- The loan box takes its payment, interest and term from one set of inputs.
- The sensitivity table and the headline coverage ratio run on the same debt service.

One definition per term

- Overhead means the same thing in Part XI and in Part XIV.
- Break-even is labelled EBITDA or cash, never left for the reader to guess.
- Break-even month and cash-positive month are two numbers and are not swapped.

Forecast against document

- Every summary table matches the cells it came from.
- Headline coverage reads the same in the summary, the projections and the funding request.
- Debt service includes every facility, not only the term loan.

Plausible on its face

- Receivable days match how your customers actually pay.
- Prices, wages and costs carry inflation. Five flat years is the signature of a template.
- Margins sit inside the industry benchmark, or the difference is explained.
- Whether the owners pay themselves is stated, and what it does to coverage is shown.

Language

- No placeholder figures, no unnamed sources, no sample years – and no braces or grey or gold boxes left from this template.
- Every market claim carries a numbered endnote to a real source with its year.
- Strengths, weaknesses and advantages are specific enough to be wrong.
- The weakness an analyst would find is named first, with its mitigant.
- The footer carries your company name, not ours.

If you would rather have it read properly. A Plan Check is a written report on what in your draft would fail at a credit desk – the arithmetic, the definitions, the plausibility, the language – for CA$490, credited in full against any engagement in the firm within sixty days. clarivagroups.ca/business-plan

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