



PART 1 | ABOUT PEOPLEFUND

CEO LETTER, CLIENT FEATURES, SERVICES OFFERED, MISSION



MISSION, VISION, & CORE VALUES

PeopleFund creates economic opportunity and financial stability for underserved people by providing access to capital, education and resources to build healthy small businesses.

Healthy small business growth is key to economic development

Integrity, service, excellence

WHO WE ARE

- Certified Texas Non-profit 501(c)3
- Established in 1994
- **US Treasury Certified Community Development Financial Institution (CDFI)**
 - Commitment to serve underserved markets
 - **Minority, women, veteran** owned businesses
 - Businesses in low to moderate income **(LMI) census tracts**
- **Small Business Administration (SBA) Certified Lender**
 - CDFI Analysis and Rating System known (AERIS) AA+2

TEXAS MARKET

- **254** counties
- **2.2 million** businesses with **5** or fewer employees
- Represent **89.4%** of all Texas businesses
- If just 1 of 3 small business hired a single employee, U.S. would be at **full employment**

PART 2 | BUSINESS PLANNING

BUSINESS PLAN





WHAT IS A BUSINESS PLAN?

- A written outline that evaluates economic viability
- Roadmap to ensure strategic success
- Core of any company
- “Living” document



STRONG BUSINESS PLANS HAVE:

- A sound business concept
- Understanding of your market
- A healthy, growing and stable industry
- Capable management
- Able financial control
- A consistent business focus



WEAK BUSINESS PLANS HAVE:

- High focus on the product and/or services
- Little familiarity with target market
- Financial projections beyond industry norms
- Unrealistic growth projections
- High reliance on specialty engineering, one large client, or one supplier



YOUR BUSINESS PLAN SHOULD ANSWER THE FOLLOWING QUESTIONS:

- Who are you?
- What are you selling?
- To whom are you selling it?
- How are you planning on reaching your target market?
- How much money will it take?
- How much profit will you make?



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EXECUTIVE SUMMARY

- Extended business pitch
- 1-2 pages
- Written last
- Pulls from all other pieces of the plan



BUSINESS CONCEPT

- Product/service
- Identifying information
- Problem you solve

FINANCIAL FEATURES

- Start-ups V existing businesses

FINANCIAL REQUIREMENTS

- Total project cost
- Investment
- Financing

THE MARKET

- Market landscape
- Your share
- Competitive advantages

MANAGEMENT

- Key personnel
- Qualifying information

PROJECT GROWTH

- Sales
- Jobs
- Expansion



COMPANY DESCRIPTION

- Mission statement
- Goals and objectives
- Business philosophy
- Core competencies
- Legal form of ownership



PRODUCTS AND SERVICES

- List exactly what you are selling
- Product advantage
- Pricing, leasing, and fee structures



MARKET ANALYSIS

- Detailed description of the market
- Target customer
- Target market trends
- Current demand and growth potential
- Barriers to entry
- Competition



MARKETING PLAN

- Marketing channels
- Marketing budget
 - Time
 - Money
 - Personnel



MANAGEMENT AND PERSONNEL

- History of the principals
- Duties and responsibilities
 - Organizational chart
 - Job descriptions
- Salary and benefit information
- Resources available to your business



OPERATIONAL PLAN

- Production
- Location
- Legal environment
- Personnel
- Suppliers



FINANCIAL DATA

Start-up

- Pro-forma statements
- Break even analysis
- Start-up cost analysis

Existing Businesses

- Financial statements



SUPPLEMENTAL INFORMATION

- Resumes
- Industry studies
- Blueprints and plans
- Maps and photos of location
- Marketing materials
- Quotes or estimates
- Legal documents relevant to the business
- Letters of intent
- Lease agreements
- Any documentation that supports the plan



BUSINESS PLANNING RESOURCES

- Small Business Administration
- Small Business Development Centers
- SCORE
- Business plan assistance services
- Business assistance centers

PART 3 | MARKET RESEARCH

RESEARCH, CUSTOMER, ANALYSIS, BRANDING, OPERATIONS

BUSINESS VIABILITY AND MARKET RESEARCH



YOUR CUSTOMER

WHO

- Objectivity
- Demographics

WHAT

- Product/service
- Psychographics

WHEN

- Time
- Conditions

WHERE

- Geography
- Location

WHY

- Internal
- External

HOW

- Market size V market share
- Behavior and response

LOCATION

WHO

- Property management
- Neighbors

WHAT

- Expansion potential
- Average costs
- Permit or zoning requirements

WHEN

- Time
- Conditions

WHERE

- Location
- Accessibility

WHY

- Internal
- External

HOW

- Competitors
- Customers

COMPETITORS

QUESTIONS TO ASK

What

- Competitive advantage
- Marketing strategy

How

- Making/spending
- Saturated

Where

- Location
- Proximity

COMPETITIVE ADVANTAGES

- **Cost advantage**

Walmart

- **Product/service advantage**

Amazon

- **Brand advantage**

Toms

OPERATIONS AND HUMAN CAPITAL

- Labor
- Facilities
- Materials
- Equipment
- Processes

MARKETING

- **BRANDING**
- **MARKETING STRATEGIES**
 - Online presence
 - Digital marketing
 - Social media
 - Traditional channels
 - Personal branding
 - Customer retention
 - Partnerships

MARKET RESEARCH RESOURCES

- Small Business Development Centers
- Size Up
- US Census Bureau Business Builder

PART 4 | FINANCIAL PLANNING

RESEARCH, CUSTOMER, ANALYSIS, BRANDING, OPERATIONS

STARTUP COST ANALYSIS

Equity injection	\$ -	Personal bank account, gifted, invested, etc. (15-30% of total project cost)
Marketing	\$ -	Promotion for opening the business
Beginning inventory	\$ -	Amount of inventory needed to open
Building construction or leasehold improvements	\$ -	Amount per contractor per bid
Cash	\$ -	Requirements for the cash register
Interior/exterior design	\$ -	Estimate based on bid
Deposits or fees	\$ -	Utilities, lease, etc.
Fixtures and equipment	\$ -	Use actual bids
Installation	\$ -	Use actual bids
Insurance	\$ -	Bid from insurance agent
Lease payment	\$ -	Bid from real estate agent
Liscences and permits	\$ -	Check with city or state offices
Miscellaneous	\$ -	All other
Professional fees	\$ -	CPA, cleaning, attorney, contractor, etc.
Rental equipment	\$ -	Amount to be paid before opening
Signs	\$ -	Use actual bids
Supplies	\$ -	Office, cleaning, etc.
Unanticipated expenses	\$ -	Amount for unexpected costs (10% rec.)

PROFIT AND LOSS

Month	Month 1	Month 2	Month 3
REVENUES			
Product/Service 1 ...	\$ -	\$ -	\$ -
Product/Service 2 ...	\$ -	\$ -	\$ -
Product/Service 3 ...	\$ -	\$ -	\$ -
Other Revenue	\$ -	\$ -	\$ -
TOTAL REVENUES	\$ -	\$ -	\$ -
COST OF GOODS SOLD			
Product/Service 1 ...	\$ -	\$ -	\$ -
Product/Service 2 ...	\$ -	\$ -	\$ -
Product/Service 3 ...	\$ -	\$ -	\$ -
Salaries-Direct	\$ -	\$ -	\$ -
Payroll Taxes and Benefits-Direct	\$ -	\$ -	\$ -
Depreciation-Direct	\$ -	\$ -	\$ -
Supplies	\$ -	\$ -	\$ -
Other Direct Costs	\$ -	\$ -	\$ -
TOTAL COST OF GOODS SOLD	\$ -	\$ -	\$ -
GROSS PROFIT (LOSS)	\$ -	\$ -	\$ -

OPERATING EXPENSES	Month 1	Month 2	Month 3
Advertising and Promotion	\$ -	\$ -	\$ -
Automobile/Transportation	\$ -	\$ -	\$ -
Bank Service Charges	\$ -	\$ -	\$ -
Business Licenses and Permits	\$ -	\$ -	\$ -
Charitable Contributions	\$ -	\$ -	\$ -
Computer and Internet	\$ -	\$ -	\$ -
Continuing Education	\$ -	\$ -	\$ -
Dues and Subscriptions	\$ -	\$ -	\$ -
Insurance	\$ -	\$ -	\$ -
Meals and Entertainment	\$ -	\$ -	\$ -
Merchant Account Fees	\$ -	\$ -	\$ -
Miscellaneous Expense	\$ -	\$ -	\$ -
Office Supplies	\$ -	\$ -	\$ -
Payroll Processing	\$ -	\$ -	\$ -
Postage and Delivery	\$ -	\$ -	\$ -
Printing and Reproduction	\$ -	\$ -	\$ -
Professional Services - Legal, Accounting	\$ -	\$ -	\$ -
Occupancy	\$ -	\$ -	\$ -
Rental Payments	\$ -	\$ -	\$ -
Salaries-Indirect	\$ -	\$ -	\$ -
Payroll Taxes and Benefits-Indirect	\$ -	\$ -	\$ -
Subcontractor	\$ -	\$ -	\$ -
Telephone	\$ -	\$ -	\$ -
Travel	\$ -	\$ -	\$ -
Utilities	\$ -	\$ -	\$ -
Website Development	\$ -	\$ -	\$ -
TOTAL OPERATING EXPENSES	\$ -	\$ -	\$ -
OPERATING PROFIT (LOSS)	\$ -	\$ -	\$ -
INTEREST (INCOME), EXPENSE & TAXES			
Interest (Income)	\$ -	\$ -	\$ -
Interest Expense	\$ -	\$ -	\$ -
Income Tax Expense	\$ -	\$ -	\$ -
TOTAL INTEREST (INCOME), EXPENSE & TAXES	\$ -	\$ -	\$ -
NET INCOME (LOSS)	\$ -	\$ -	\$ -

COST
ANALYSIS

PROFIT AND
LOSS

BALANCE
SHEET

BALANCE SHEET

Month	Month 1	Month 2	Month 3
ASSETS			
Current Assets			
Cash	\$ -	\$ -	\$ -
Accounts Receivable			
Inventory			
Prepaid Expenses			
Other Initial Costs			
Total Current Assets	\$ -	\$ -	\$ -
Fixed Assets			
Equipment			
Furniture and Fixtures			
Vehicles			\$ -
Other			
Total Fixed Assets			
(Less Accumulated Depreciation)	\$ -	\$ -	\$ -
Total Assets	\$ -	\$ -	\$ -
LIABILITIES & EQUITY			
Liabilities			
Short-Term Debt			
Long-Term Debt	\$ -	\$ -	\$ -
Vehicle Loans Balance			
Other Bank Debt Balance			
Total Liabilities	\$ -	\$ -	\$ -
Equity			
Retained Earnings	\$ -	\$ -	\$ -
Dividends Dispersed/Owners Draw			
Total Equity	\$ -	\$ -	\$ -
Total Liabilities and Equity	\$ -	\$ -	\$ -

FINANCIAL REPORTING RESOURCES

- Small Business Development Centers
- Start-up Runway
- Accounting software systems

A blurred background image of several US dollar bills fanned out, showing the green and yellow colors of the currency.

PART 5 | CREDIT

CREDIT SCORE, ACCOUNT DETAILS, REPORTS

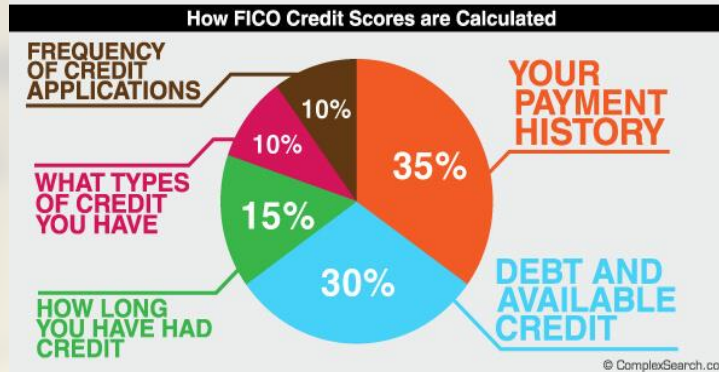
5 C'S OF CREDIT

- Character: Comprised of experience, history, and track record to provide information about how trustworthy you are to repay.
- Capacity: Determines ability to repay based on debt-to-income ratio.
- Capital: Refers to your net worth – assets minus liabilities, or simply, what you own versus what you owe.
- Collateral: Refers to any asset of the borrower that a lender has the right to take ownership of if the borrower is unable to repay.
- Conditions: Outside contextual information that helps determine feasible repayment.

CREDIT BUREAUS

- Experian, Transunion, Equifax
- Track history
- Report out to other agencies

CREDIT SCORE



POSITIVE CREDIT PRACTICES

- Consistently pay your bills on time
- Keep a debt-to-credit ratio equal to or less than 30%/70% respectively
- Only apply for and open new accounts when you need them
- Keep a mix of revolving and installment credit

NEGATIVE CREDIT PRACTICES

- Late payments
- A high debt-to-credit ratio
- Having credit card balances near your maximum spending limit
- Exceeding spending limits
- Opening new cards or accounts frequently
- Negative public records

INTERPRETING YOUR REPORT

IDENTIFYING INFORMATION

- Names and SS#
- Addresses
- DOB
- Employment history

CREDITOR INFORMATION

- The status of the account: Current, closed, late, or charged-off
- Responsibility of account
- Account balances
- Most recent payment
- Credit limit
- Terms
- Inquiries

ACCOUNT INFORMATION

- Revolving
- Installment
- Open
- Collections

PUBLIC RECORDS

- Bankruptcies
- Liens
- Judgments
- Wage garnishes
- In some cases, criminal history
- Federal obligations

The background of the slide is a blurred image of a wooden surface. In the center, there is a white rectangular box containing text. Behind this box, a hand is visible, pointing its index finger towards the bottom left. In the background, behind the white box, there is a blurred image of a document featuring a bar chart with several bars of different heights and colors (blue, red, green, yellow).

CREDIT RESOURCES

- Credit bureaus
- Financial health solutions
- FDIC Money Smart
- Credit trackers



PART 6 | ACCESS TO CAPITAL

CASH FLOW, EQUITY, COLLATERAL, DOCUMENTS



CASH FLOW

Income a person earns or revenue a business generates compared to expenses.

- Positive/Negative/Neutral
- $(\text{total monthly debt payments} + \text{proposed loan payment}) / \text{gross monthly income}$
= Debt to Income Ratio
- Secondary source of income

LIQUIDITY

How easy it is to convert an asset to cash.

- Cash equivalent assets VS Collateral
- $\text{Cash assets} / \text{monthly expenses}$
= liquidity ratio

EQUITY INJECTION

- “Skin in the game”
- 15-30%

Sources of equity injection

- A cash reserve
- A gift from a friend or family member
- Inventory, equipment, services, materials, or property purchased for the business

COLLATERAL

- Anything that can be pledged as security for a loan or liquidated in default of a loan.
- Loan to Value: 15-120%

Items that *can* be pledged as collateral

- Vehicles, inventory, equipment, property, high value personal properties

Items that *cannot* be pledged as collateral

- Your homestead, intellectual property, contractual agreements, purchase orders

PERSONAL DOCUMENTATION

- Driver's license
- Borrower information form
- Personal financial statement
- Personal bank statements (could date back 1-6 months)
- Tax returns with all accompanying documentation (could date back 1-5 years)
- Verification of personal income (paycheck stub, benefit letters)

Assets	Money (\$)
Checking	
Savings	
Marketable Securities	
Retirement	
Homestead	
Other Real Estate	
Business Ownership Interest	
Auto	
Other Real Estate	
Total Assets	
Liabilities	
Taxes	
Credit Cards	
Auto Loans	
Mortgage	
Other Debt	
Installment Loans	
Other	
Total Liabilities	
Net Worth	

Cash Inflows	Monthly	Annually
Income 1		
Income 2		
Rental Income		
Other		
Total Income		
Cash Outflow		
Income Taxes		
Credit Cards		
Auto Debt		
Auto Insurance		
Other Debt		
Rent/ Mortgage		
Insurance		
Electric		
Waste/ Water		
Phone		
Food		
Entertainment		
Other Expenses		
Total Expenses		
Net Cash Flow		

OTHER REAL ESTATE			
	Property 1	Property 2	Property 3
Property Type			
Name & Address			
Date purchased			
Original Cost			
Market Value			
Mortgage Co.			
Payment per Month			
Mortgage Status			

CHECKING AND SAVINGS ACCOUNTS		
Financial Institution (Bank)	Balance in Checking	Balance in Savings
1		
2		
3		
4		

BUSINESS DOCUMENTATION

- Business plan
- Financial projections (could require 3-5 years)
- Copy of governing documents (Filing with Secretary of State or County)
- Tax ID
- List of collateral
- Proof of equity injection
- Business financial statements
(profit and loss and balance sheet – could date back 3-5 years and year to date)
- Business tax returns with all accompanying documentation (could date back 1-5 years)
- Lease agreement
- Detailed breakdown of use of funds
- Verification of loan proceeds (quotes, sales orders, purchase agreements)
- Business debt schedule: a document outlining all of the debts the business currently faces
- Business bank statements (could date back 1-6 months)
- Supporting documentation (licenses, permits)

ADDITIONAL CONSIDERATIONS

- Use of funds
- Character
- Competitiveness
- Industry risk

LOAN PRODUCTS

SBA MICROLOAN	< \$50,000	<ul style="list-style-type: none"> ▪ Typically provided by microlenders or community-based non-profit organizations ▪ Often favor individuals with low cash reserves, poor credit, or those in rural or disadvantaged communities ▪ Specific microfinancing programs offered for Veterans, women, minorities, environmentally responsible businesses, and other specific business types ▪ Technical assistance requirements ▪ Available both to startups and established businesses
SBA 7(A)	Up to \$5 million (lenders may abide by different monetary thresholds)	<ul style="list-style-type: none"> ▪ Most common type of government supported business loan ▪ Available both to startups and established businesses ▪ Offered by many banks, community-based non-profit organizations, and other SBA approved lenders ▪ Technical assistance requirements
SBA 7(A) COMMUNITY ADVANTAGE	Up to \$250,000	<ul style="list-style-type: none"> ▪ Designed to help businesses in underserved markets gain access to financing ▪ Designed to help borrowers who do not meet the eligibility requirements for the SBA 7(a) program due to low revenues, low collateral, or other reasons ▪ Available both to startups and established businesses ▪ Technical assistance requirements
SBA 504	Up to \$14 million (lenders may abide by different monetary thresholds)	<ul style="list-style-type: none"> ▪ Delivered in partnership between a lending institution and community development corporation (lending institution provides up to 50%, CDC provides up to 40%) ▪ 10% minimum equity injection ▪ Designed for owner-occupied commercial real estate purchase, construction, or renovation or the purchase of high dollar fixed assets ▪ More restrictive than the 7(a) programs ▪ Possible job creation and public policy goals
LENDER-INTERNAL	Lender-designated	<ul style="list-style-type: none"> ▪ Requirements vary by lender

ADDITIONAL CAPITAL OPTIONS

- Credit cards
- Bootstrapping
- Payday or cash advance loans
- Online lenders
- Lines of credit
- Crowdfunding
- Venture capital
- Partnering
- Grants

CAPITAL SOURCES

- Banks
- Community Development Corporations
- Small Business Administration
- Business incubators and accelerators
- Venture firms

SOURCING CAPITAL

- Terms
- Interest rates
- Equity
- Pay-off
- Insurance
- Additional financing
- Modification
- Technical assistance
- Requirements
- Communication
- Time

PART 7 | NEXT STEPS

STRUCTURE, REGISTRATION, EMPLOYER ID, INSURANCE

BUSINESS STRUCTURE AND REGISTRATION

Business structure	Ownership	Liability	Taxes
Sole proprietorship	One person	Unlimited personal liability	Personal tax only
Partnerships	Two or more people	Unlimited personal liability unless structured as a limited partnership	Self-employment tax (except for limited partners) Personal tax
Limited liability company (LLC)	One or more people	Owners are not personally liable	Self-employment tax Personal tax or corporate tax
Corporation - C corp	One or more people	Owners are not personally liable	Corporate tax
Corporation - S corp	One or more people, but no more than 100, and all must be U.S. citizens	Owners are not personally liable	Personal tax
Corporation - B corp	One or more people	Owners are not personally liable	Corporate tax
Corporation - Nonprofit	One or more people	Owners are not personally liable	Tax-exempt, but corporate profits can't be distributed

ADDITIONAL STEPS

- Obtain an Employer Identification Number or EIN
- Obtain licenses and permits
- Obtain insurance
- Open a business bank account
- Consult with outside professionals

RESOURCE MANAGEMENT

Understanding, prioritizing, and utilizing the resources available to you to meet your goals.

- The bank
- Community lenders (CDCs, CDFIs)
- Co-working spaces
- Business professional or networking organizations
- Chambers of commerce
- The government
- Assistance services
- Demographic specific entities
- Continuing education opportunities
- YOU!

BUSINESS ACTION PLANNING

Determining short-term action-ables to meet long-term business goals (SMART).

- Credit
- Obtaining capital
- Business planning
- Finances
- Education

PART 8 | OPERATIONS

ACCOUNTING, TAXES, HR

ACCOUNTING

1. Open a business bank account
2. Track everything
3. Establish a bookkeeping system
4. Enlist help when necessary

TAXES

1. Become a pro at record keeping
2. Determine the right IRS form to file
3. Determine which tax bracket you are in
4. Research deductions annually
5. Pay attention to deadlines

HUMAN RESOURCES

What HRM Covers

- Hiring
- Employee development
- Training and onboarding
- Communication
- Performance reviews
- Safety
- Setting and enforcing company policies
- Salaries and benefits

Basics of an HR Department

- Employee files
- Policies and procedures
- Displaying proper documentation
- Compliance

HR TIPS

- Set a firm job description and stick to it when hiring
- Document everything
- Stay up to date with employment laws
- Strictly enforce policies and procedures

PART 9 | MARKETING

SEO, DIGITAL MEDIA, SOCIAL MEDIA, CUSTOMER ENGAGEMENT

SOCIAL MEDIA

- Increased brand recognition
- More opportunities for converting leads
- Increased inbound traffic
- Better SEO ratings
- Cost-effective marketing

SEARCH ENGINE OPTIMIZATION

- Focuses on promoting organic (non-paid) visibility through search engine results
- Logic and consistency with key words
- Engagement with content
- Clarity

EMAIL MARKETING

- News, special offers, policy updates
- Be careful not to spam
- Email platforms can help
- Best practices



PART 10 | BEST FOOT FORWARD

NETWORKING, PITCH, AND RESUME

PITCHING YOUR BUSINESS

- Start with the basics
- Anticipate questions
- Be excited
- Don't use technical language or jargon
- Address the competition
- Be visual, if possible
- Follow up

NETWORKING BEST PRACTICES

- Start by networking with friends. People like to do business with those they know.
- Make sure you're building genuine relationships, not just contacts.
- Don't just pitch to people, listen to them too.
- Don't be afraid to ask for an introduction.
- Block time for networking, follow-up, and connecting with people – online and in person.
- Make sure you nurture good relationships. Don't just call people when you need them.

YOUR RESUME

- Remember that there is a person reading your resume
- Lose the lengthy job descriptions
- Help the reader quantify your accomplishments
- Clear the clutter



CONTACT US