Zara Consulting1

BUSINESS PLAN ADVISORY

From a proposed project to a credible business case.

Expansion, restructuring and investment.
A plan to decide, finance and implement.

Practical explanations. Connected financial analysis.

01 **Explain the project**

02 **Test the economics**

03 **Establish the funding**

04 **Manage the execution**

A business plan gives a project an economic and financial logic.

Before asking whether an idea is attractive, management needs to understand what it will take to make it work.

Opening a new location, introducing a product or reorganizing an existing business changes much more than sales. It changes staffing, capacity, investment, supplier commitments and the timing of cash receipts and payments. These effects need to be assessed together.

We help turn the proposed initiative into a reasoned business case: what will change, why the change should create value, what resources it requires and which conditions could undermine the result. The plan becomes a basis for discussion and approval, as well as a document for potential financiers.

What the client gains

A clear connection between the commercial idea, the operating choices and the financial consequences, with unresolved questions visible before commitments are made.

The plan begins with the decision you need to make.

The same planning discipline can support a new venture, an expansion or a reduction in activity.

A project plan evaluates a defined initiative, such as a production line or a new service. An expansion plan tests whether additional demand can justify the resources and cash absorbed by growth. A downsizing plan examines whether a smaller operating structure can protect liquidity and restore sustainable performance.

We first clarify the alternatives, including what happens if the company does nothing. We then agree on the perimeter, decision date and evidence required. This keeps the analysis focused on the real question rather than filling a standard template with information that does not help management decide.

The initial discussion

What are you proposing, what problem does it solve, which alternatives exist, and who must approve or finance the decision?

Expansion and downsizing need different assumptions.

The same financial disciplines apply, but the questions and transition costs change with the initiative.

Planning question	Expansion	Downsizing
What changes?	New capacity, customers or markets	Smaller footprint or revised activity
What must be tested?	Incremental demand and delivery	Real savings and retained capacity
What absorbs cash?	Investment and working capital	Exit costs and transfer of operations
What could disappoint?	**Slower ramp-up or weaker margins**	**Delayed savings or customer losses**

OUR APPROACH

Compare the initiative with a defined baseline, then assess both the project and the company-wide consequences.

The bank needs to understand how its money will come back.

An attractive project and a repayable loan are related questions, but they require different evidence.

A lender wants to understand the business, the purpose and amount of financing, the borrower’s contribution and the reliability of the assumptions. The central issue is whether available cash can support repayment under the proposed terms, including a reasonable deterioration in performance. [3, 4]

An equity investor also examines management, competitive position and execution, but focuses on the investment’s potential value, ownership implications and route to a return. We adapt the presentation to the audience while keeping the underlying model consistent. Collateral or a future funding round should not replace a credible explanation of the project’s cash economics.

Our support

We help structure the financing discussion around use of funds, borrower contribution, cash generation, repayment and the risks that require an explicit response.

The scope determines which numbers belong in the plan.

A project forecast and a whole-company forecast answer different questions.

For an expansion, we identify the additional revenue, costs, investment and working capital caused by the project. We also consider revenue transferred from existing activities and shared resources that may become constrained. For a reduction, we distinguish genuinely avoidable costs from allocations that remain after the activity closes.

The incremental case shows whether the initiative makes economic sense. The consolidated forecast shows whether the company can finance it while meeting its existing obligations. We agree on a horizon suited to the investment and financing, usually with monthly detail in the near term and less detail in later years. The chosen timing must reflect the actual ramp-up and repayment schedule.

Practical output

A defined project perimeter, a comparison baseline and a timetable for analysis, management decisions and financing.

A convincing plan starts with information the company can explain.

The consultant coordinates the process. Management and functional teams provide the knowledge needed to make it realistic.

We gather financial statements, current trading results, customer and product information, staffing data, supplier terms and investment estimates. We reconcile the starting position and identify unusual items so that a temporary effect does not become a permanent assumption in the forecast.

The work then moves across functions. Sales supports demand and pricing assumptions, operations validates capacity and delivery costs, and finance develops cash timing and funding requirements. Material inputs are recorded with a source, owner and date. Missing information becomes an explicit action or uncertainty, rather than an invisible gap in the model.

Practical output

A data request, a reconciled baseline and an assumptions register. Each major forecast input has an owner and an explanation.

The plan must explain why customers will actually buy.

The revenue case begins with the market and the proposed offer, rather than the desired growth rate.

We examine the customer’s need, current alternatives and purchasing process. A new product may solve a genuine problem but still face a long approval cycle, switching costs or distribution barriers. An expansion into a new area may require different pricing, service levels or commercial resources.

Where information is limited, the plan should identify what needs to be tested through customer discussions, pilots or channel research. We connect the findings to the sales forecast and make the limits of the evidence clear. A market-size estimate provides context, but it does not demonstrate how many customers the company can reach and serve.

Practical output

A supported customer proposition and a commercial rationale that can withstand questions about competition, pricing and achievable demand.

Revenue becomes credible when the underlying activity is visible.

A forecast should be traceable to customers, orders, units, projects or billable capacity.

For a service business, revenue may depend on available staff, productive hours, utilization and realized rates. For a product business, it may depend on orders, units, net prices and the mix of products sold. New contracts, recurring business and uncertain opportunities should not all carry the same weight.

We build the forecast from these drivers and challenge the timing. When will selling begin? How long does conversion take? What can the organization deliver? In an expansion, we distinguish new revenue from sales shifted between locations. In a downsizing, we examine which customers and contribution margins may disappear along with the activity being removed.

Questions the plan answers

What creates the revenue, who is responsible for delivering it, and what evidence supports its volume, price and timing?

A commercial promise needs an operating structure behind it.

The financial forecast is credible only if the company has a realistic way to deliver the projected activity.

We translate the expected volume into staffing, equipment, premises, systems and supplier requirements. The plan examines hiring lead times, productivity, outsourcing, logistics and the service capacity needed to support customers. Investment dates must align with when the additional capacity will actually become available.

This also reveals dependencies. A new location may require a manager before it produces revenue. A consolidation may require temporary duplicate costs while work transfers between sites. We bring these requirements into the forecast and identify the people responsible for executing them, so that the plan reflects an operating transition rather than an immediate jump to the final state.

Practical output

An operating plan linking people, processes, capacity and investment to the commercial forecast and implementation milestones.

The plan separates what is spent, when it is spent and why.

An annual expense total is not enough to establish the funding requirement.

We distinguish direct and variable costs from fixed operating expenses, and recurring costs from implementation spending. Capital investment is scheduled separately from its depreciation. Deposits, inventory purchases and loan principal repayments also affect cash, even though they do not all appear as current-period expenses.

For an expansion, the analysis includes the additional overhead needed to operate at the higher level. For a downsizing, we test which savings are contractually and operationally achievable, when they begin and what must be paid to obtain them. A shared cost allocated to a closing unit does not become a cash saving unless the underlying expenditure can actually be removed.

Practical output

A cost and investment schedule that explains the project’s economics and the timing of the related cash commitments.

The financial statements must describe the same business.

We build the economic case and the liquidity case together, using a connected model.

The projected income statement shows revenue, margins and earnings. The balance sheet shows the assets and obligations created by the activity. The cash flow forecast explains how receipts, payments, investment and financing change liquidity. These statements must reconcile rather than present three unrelated sets of numbers.

The model is supported by schedules for the drivers that matter: sales, payroll, investment, depreciation, working capital and debt. Monthly forecasts in the near term expose launch delays and seasonal cash pressures that annual totals can hide. Management can then discuss not only whether the project appears profitable, but also whether it can remain funded while it develops.

Practical output

An integrated financial model, documented assumptions and a clear reconciliation from operating performance to cash and funding needs. [1, 2]

The financing request follows the cash requirement.

The amount needed is determined by the project’s timing and liquidity needs, rather than the purchase price alone.

Buying equipment may be only one part of the requirement. The company may also need installation, fit-out, recruitment, launch costs, inventory, customer credit and a minimum cash reserve. We schedule these uses against available company cash, owner contributions and the proposed financing drawdowns.

The monthly model identifies the lowest cash point and whether additional funding must arrive before trading or savings reach the expected level. We then assess whether the proposed funding structure matches the use of funds and the ability to repay. Uncommitted financing remains a dependency to resolve, rather than cash assumed to be available.

Practical output

A sources-and-uses schedule, a monthly liquidity profile and a funding request tied to identifiable expenditures and repayment assumptions.

A new operating unit requires more than a sales target.

Illustrative case: an established company proposes an additional unit to serve demand beyond its current capacity.

The company expects the new unit to add customers and reduce delivery constraints. Before accepting the proposal, we examine the evidence of demand, sales transferred from existing operations and the capacity needed to deliver the new work. The forecast uses incremental revenue, costs and investment, rather than attributing the existing company’s earnings to the project.

The initial funding estimate is $650,000, including equipment, fit-out, launch activity, working capital and a minimum cash reserve. Management proposes $200,000 of new owner equity and a $450,000 bank loan. The following pages show how the analysis tests both the investment case and the financing structure.

What this example demonstrates

A project can become profitable while its initial debt structure still requires adjustment. All amounts and terms are illustrative.

The funding request covers the full launch requirement.

Illustrative amounts in $000. Equity and the proposed bank loan must be available when the uses occur.

Uses of funds	$000	Sources of funds	$000
Equipment	420	New owner equity	200
Fit-out	60	Proposed bank term loan	450
Implementation and launch	35		
Initial working capital	65		
Minimum launch cash reserve	70		
Total requirement	**650**	**Total proposed funding**	**650**

WHAT WE EXAMINE

Quotes, payment dates, contingency needs and funding conditions. Initial working capital is included once, not counted again as a launch expense.

The ramp-up changes the project’s debt coverage.

Illustrative incremental annual forecast in $000. Cash deductions are stated planning assumptions, not a tax calculation.

Project measure	Year 1	Year 2	Year 3
Revenue	900	1,200	1,450
Contribution margin	45%	45%	45%
Cash operating fixed costs	240	270	300
EBITDA	165	270	352.5
Cash tax + post-launch ΔWC + maintenance capex	60	75	95
Cash available for debt service	105	195	257.5
Annual loan debt service, rounded	112.7	112.7	112.7
Illustrative coverage	**0.93×**	**1.73×**	**2.28×**

FINANCING ASSUMPTION

Loan $450k, 8% annual interest, five equal year-end payments of $112,705. Coverage = stated cash available ÷ debt service. Project excludes existing company debt.

The forecast reveals a first-year repayment gap.

The project’s ramp-up matters as much as its steady-state earnings.

In the example, first-year cash available for debt service is $105,000 against annual debt service of approximately $112,705. Coverage is 0.93 times. A launch reserve can fund the $7,705 shortfall, but it does not improve the project’s underlying coverage ratio. The base proposal therefore needs a specific explanation of the ramp-up and a review of the financing terms.

Possible alternatives include more equity, a phased investment or a different repayment profile, subject to lender agreement. We test each alternative in the monthly cash model and in the company-wide forecast, including existing debt. We also test weaker sales and margins. The plan should expose these questions before the financing meeting rather than hide them behind later-year profitability.

The bank-ready question

Which structure supports the project through the ramp-up without relying on uncommitted funds or leaving insufficient liquidity? No universal coverage threshold is assumed.

A smaller business needs a credible transition plan.

Illustrative case: management considers consolidating two operating sites into one.

The proposal forecasts $300,000 of annual recurring cost savings. That headline does not establish the benefit. Some customers may leave, retained staff may need additional capacity and the company may face lease, relocation or workforce-related payments before savings begin.

We examine both the remaining operation and the transition. Which costs genuinely disappear? Can the retained site serve the work? What contribution will be lost with customers who do not transfer? Which one-time obligations must be funded? A credible downsizing plan demonstrates how the company will operate after the reduction, not merely how much spending management intends to remove.

What this example demonstrates

Cost reduction can improve recurring performance while creating an immediate cash requirement and a risk to revenue.

A $300,000 cost reduction becomes a $120,000 benefit.

Illustrative annual economics and one-time implementation amounts in $000.

Recurring annual economics	$000	One-time implementation	$000
Gross recurring cash cost savings	300	Lease exit payment	80
Revenue lost	600	Relocation	50
Contribution lost at 30% margin	(180)	Workforce transition	50
Net recurring benefit	120	Operating reconfiguration	20
		Total implementation payments	**200**

INTERPRETATION

Simple payback at the full $120k annual benefit is about 1.7 years. This excludes the ramp-up, tax and other cash effects. Test the remaining operation separately.

Annual savings do not pay the upfront bills.

The timing of the restructuring determines whether the company can reach the improved operating position.

Assume the $120,000 annual recurring benefit starts halfway through year one. The first-year benefit is then $60,000. Against $200,000 of implementation payments, the simplified first-year net cash effect is negative $140,000, before tax, working-capital changes and other business cash flows.

If implementation costs are paid before benefits begin, the temporary cash requirement may reach the full $200,000. We therefore build a monthly transition schedule and identify committed funding before the decision proceeds. The plan also tests delayed implementation and greater customer losses, because either could reduce the expected benefit or postpone cash recovery.

The financing discussion

How will the company fund the transition, retain sufficient operating liquidity and continue meeting existing obligations while the savings emerge?

The downside case tells management when to change course.

A useful plan identifies the conditions under which the proposal stops being acceptable.

For an expansion, we test a slower launch, lower sales, reduced margins and later customer payments. For a downsizing, we test smaller savings, higher transition costs, delayed completion and lost customers. These changes affect earnings, cash and debt service differently, so a single percentage adjustment to revenue is rarely enough.

We then identify practical responses and the time needed to implement them. A hiring delay, phased investment or revised footprint may preserve liquidity, but it may also affect revenue and service. Each response needs an owner and a trigger. This gives management and financiers a transparent discussion of the alternatives rather than a forecast that appears precise only under one set of assumptions.

Practical output

Base and downside cases, targeted sensitivities, cash thresholds and specific contingency actions with implementation lead times.

The written plan explains why the numbers deserve confidence.

The document and the model must support the same proposal and funding request.

We organize the business plan around the reader’s questions: the project and its rationale, the company and management, the customer proposition, commercial evidence, operating requirements, financial forecasts, risks and implementation. The executive summary states the decision sought and brings the principal economic and financial conclusions together.

For a bank, the package also makes the amount and use of funds, borrower contribution, debt service and liquidity assumptions easy to locate. For an investor, it explains ownership, milestones and the proposed investment rationale. Supporting schedules allow material claims to be traced. The plan should be understandable in the meeting and detailed enough to support subsequent review.

Practical output

A written business plan and presentation, linked to the financial model and a proportionate supporting-information pack. [1, 4]

We build the plan through a structured dialogue with management.

The engagement combines analysis, financial modeling and coordination across the business.

We begin with the purpose of the plan and an agreed scope, then organize information requests and working sessions with the relevant people. We challenge commercial and operating assumptions, develop the model and discuss the consequences with management before drafting the final narrative. Open points remain visible throughout the work.

Before handover, we reconcile the outputs and walk the team through the key assumptions, scenarios and decisions. Where included in the scope, we help prepare for questions from the bank or investor and update the package as discussions develop. Management approves the proposed strategy and assumptions. Financing decisions remain with the funder.

The agreed scope covers

Data collection, workshops, analysis, model development, written materials, review meetings and any support required for financing discussions.

The business plan should remain useful after it secures a decision.

Its value continues through implementation, reporting and adjustment.

The final package gives the client the business plan, an integrated financial model, the assumption register and an action roadmap. We explain who maintains the model, which operating data must be collected and how management will review progress against the approved baseline.

After launch, expansion or restructuring, actual results are compared with the plan. The review distinguishes volume, price, cost and timing differences and updates the outlook. Financing conditions and cash thresholds remain visible. ZaraConsulting1 can support this follow-up so that the plan becomes a management instrument for the project rather than a document stored after the financing meeting.

Your next step

Bring a proposed initiative, an existing plan or a financing question. We can help define the analysis and support needed to make the decision reviewable.

Sources supporting the planning and lending framework.

External guidance informs the approach. Both project examples are invented illustrations, not client case studies.

[1] U.S. Small Business Administration	Business-plan structure, funding and forecasts.	**OPEN**
[2] Business Development Bank of Canada	Financial projections and cash timing.	**OPEN**
[3] Office of the Comptroller of the Currency	Small-business lending: cash flow and repayment.	**OPEN**
[4] U.S. Small Business Administration	Lender readiness and use-of-funds information.	**OPEN**

SCOPE OF THE ILLUSTRATIONS

Examples simplify real projects. Rates, costs and coverage are illustrative assumptions, not financing offers or lender approval criteria. Sources checked October 15, 2026.

Zara Consulting1

Before committing capital, make the business case clear.

A project to launch, an expansion to finance or a business to reshape.
ZaraConsulting1 can help you prepare the analysis and the discussion.

LET’S DISCUSS THE PROJECT

zaraconsulting1@gmail.com

www.zaraconsulting1.com