c. *Competition:* An assessment of the strengths and weaknesses of competitive products and services;

d. *Estimated Market Share and Sales:* Describe the characteristics of the product or service that will make it competitive in the current market;

4. *Marketing Plan:* The marketing plan should detail the product, pricing, distribution, and promotion strategies that will be used to achieve the estimated market share and sales projections. The marketing plan must describe what is to be done, how it will be done and who will do it. The plan should address the following topics— Overall Marketing Strategy, Packaging, Service and Warranty, Pricing, Distribution and Promotion.

5. Design and Development Plans: If the product, process or service of the proposed venture requires any design and development before it is ready to be placed on the market, the nature and extent and cost of this work should be fully discussed. The section should cover items such as Development Status and Tasks, Difficulties and Risks, Product Improvement and New Products, and Costs.

6. *Manufacturing and Operations Plan:* A manufacturing and operations plan should describe the kind of facilities, plant location, space, capital equipment and labor force (part and/or full time and wage structure) that are required to provide the company's product or service.

7. Management Team: The management team is the key in starting and operating a successful business. The management team should be committed with a proper balance of technical, managerial and business skills, and experience in doing what is proposed. This section must include a description of: the key management personnel and their primary duties; compensation and/ or ownership; the organizational structure; Board of Directors; management assistance and training needs; and supporting professional services.

8. Overall Schedule: A schedule that shows the timing and interrelationships of the major events necessary to launch the venture and realize its objectives. Prepare, as part of this section, a monthby-month schedule that shows the timing of such activities as product development, market planning, sales programs, and production and operations. Sufficient detail should be included to show the timing of the primary tasks required to accomplish each activity.

9. Critical Risks and Assumptions: The development of a business has risks and problems and the Business Plan should contain some explicit assumptions about them. Accordingly, identify and discuss the critical assumptions in the Business Plan and the major problems that will have to be solved to develop the venture. This should include a description of the risks and critical assumptions relating to the industry, the venture, its personnel, the product's market appeal, and the timing and financing of the venture.

10. *Community Benefits:* The proposed project must contribute to economic, community and human development within the project's target area.

11. *The Financial Plan:* The Financial Plan is basic to the development of a Business Plan. Its purpose is to indicate the project's potential and the timetable for financial self-sufficiency. In developing the Financial Plan, the following exhibits must be prepared for the first three years of the business' operation:

a. Profit and Loss Forecasts-quarterly for each year;

b. Cash Flow Projections-quarterly for each year;

c. Pro forma balance sheets-quarterly for each year;

d. Initial sources of project funds; e. Initial uses of project funds; and

e. Initial uses of project funds; and f. Any future capital requirements and sources.

(iii) *Facilities.* If the rearrangement or alteration of facilities will be required in implementing the project, the applicant has described and justified such changes.

Criterion IV: Significant and Beneficial Impact (Maximum: 20 points)

(i) Quality of JOBS/business opportunities. The proposed project is expected to produce permanent and measurable results that will reduce the incidence of poverty in the community. Expected results are quantifiable in terms of the creation of permanent, fulltime jobs or business opportunities developed (or the creation of nontraditional employment opportunities in highway construction and maintenance or the machine tool industry). In developing business opportunities and self-employment for AFDC recipients and low-income individuals the applicant proposes, at a minimum, to provide basic business planning and management concepts, and assistance in preparing a business plan and loan package.

The application documents that:

 The business opportunities to be developed for eligible participants will contribute significantly to their progress toward self-sufficiency; and/ or —Jobs to be created for eligible participants will contribute significantly to their progress toward self-sufficiency; they provide, for example, wages that exceed the minimum wage, plus benefits such as health insurance, transportation, child care and career development opportunities. (0–15 points)

(ii) *Cost-per-job.* During the project period the proposed project will create new, permanent jobs through business opportunities or non-traditional employment opportunities for lowincome residents at a cost-per-job below \$15,000 in OCS funds, (e.g. cost per job is calculated by dividing the total amount of grant funds requested (\$420,000) by the number of jobs to be created (60) which equals the cost-perjob (\$7,000)). If any other calculations are used, please include your methodology in this section. [Note: Except in those instances where independent reviewers identify extenuating circumstances related to business development activities, the maximum number of points will be given only to those applicants proposing cost-per-job created estimates of \$5,000 or less of OCS requested funds. Higher cost-per-job estimates will receive correspondingly fewer points.] (0-5 points)

Criterion V: Third-Party Evaluation (Maximum: 10 points)

A plan for a methodologically sound third-party (i.e. independent) evaluation of the demonstration project must be included in the application. Application indicates how the applicant will verify the extent to which the performance targets are achieved in this project.

## **The Evaluation Plan**

- —Includes a specific working definition of "self-sufficiency" (consistent with the broad definition contained in Part I) that permits the measurement of incremental progress of eligible individuals and their families from dependency toward self-sufficiency;
- --Clearly defines the changes or benefits (outcomes) to be produced, the activities (interventions) that will produce the changes, and the measures of client progress toward self-sufficiency for which information will be collected (for example: increases in income, decreases in public assistance payments);
- —Provides for the annual compilation of community-level data on the characteristics of the population in the project area, including percentage on public assistance, percentage below the poverty line,