

## **The Business Plan**

A business plan is a formal statement of a set of business goals and the plan for reaching those goals. It also contains background information about you and/or the partners in your business.

The plan can be for a proposed new start-up, a new joint-venture, a new development within an existing business, or any other new project which aims to convert action into results.

The business goals being attempted may be for-profit or non-profit. For-profit business plans typically focus on financial goals. Non-profit plans tend to focus on service goals.

There are different approaches to business planning depending on who the audience for the. The goals of an externally focused plan will be important to external stakeholders i.e. investors and customers. An internally focused plan is about development within a business and will be important to the individuals involved in the business.

Any investor will want to be sure that the risk is worth it. They will certainly want to see information about all the costs and overheads, activities and resources. You will also need to be able to justify your sales forecast figures and hence the net income you anticipate, and the investor's return.

The spread sheets, mission statements and other elements of new business planning are 'tools'. They enable the business to be properly structured, started and run.

**A business plan should be a working document to help you stay informed and in control of your business.**

Many templates for business planning are available to download from the internet and we include several to choose from in the resources centre.

### **Contents page:**

If your written plan is very comprehensive you may choose to include a list of contents showing page numbers, plus a list of appendices or addendums (added reference material at the back of the document) allowing the reader to find what they need and navigate the document easily, and to refer others to particular items and page numbers when reviewing or querying.

**Title page**

- Heading of the plan (can be your logo)
- Your Name
- Business Name
- Business Address
- Date you started trading
- Details of circulation and confidentiality (If applicable)

**Executive summary page:**

This should be no more than one page long, succinct and very easy to read. It should contain the key points of the whole plan including conclusions, recommendations, actions, financial returns on investment.

Typically this is the last part of the Business Plan to be written, the process of, and content within the rest of the plan informs this section.

**Legal Status of the business**

This is a statement about which type of business you intend to run i.e. sole trader, partnership, Ltd Co.

**The Mission Statement**

All businesses need a 'mission statement'. It announces clearly and succinctly to your staff, shareholders and customers what you are in business to do and how you are going to do it.

4 Business Objectives

Break down your big picture into your short, medium and long term aims. You must reliably ensure the success and viability of the business in the short term or the long term is not significant.

**Background & Skills**

Your skills and knowledge will play an important role in your business. You will have knowledge and skills you have learned on your career path to date or from managing your family, they may include specific industry skills or they may be good administrative and people skills –

Do not be bashful! Use this area to analyse what skills you have and where you may have gaps that require training.

## **Key People**

Explain who will be involved in running the business and at which stage they will be involved/employed.

What skills will they bring to your business and what gaps will remain? It is also wise to consider who you will rely on should you be unable to work for any period of time.

## **Premises & Equipment**

Explain where you intend to operate the business from and consider any implications your place of work will involve. You may need to think about start-up costs and on-going costs as your business grows.

Be aware of any equipment you have already invested in and what investment you may need going forward.

You may need to obtain planning permission in some circumstances.

## **SWOT & PEST**

Tools to analyse your strengths, weaknesses opportunities and Threats and the Political, Economic, Social and Technologic issues that will affect your business viability.

## **The Legal and Structural Considerations**

The breakdown of all the processes and procedures that you must address to start your business legally

## **Marketing**

Marketing covers everything from company culture and positioning, through market research, new business/product development, advertising and promotion, PR (public/press relations), and arguably all of the sales functions as well.

## **The Product**

Explain in detail what the product/service is; outline the features and benefits to your customers of each different 'line'.

## **Market Research**

Your market research should focus on the information you need, to help you to formulate strategy and make business decisions. Explain what you know about the market from a big picture point of view, i.e. sector trends, how the local, regional, national, international market for your product/service has grown to date.

Are there any changes in legislation which are relevant or any seasonality factors?

Define Your Market by - sector (s) and segment (s)

**Key Suppliers (if applicable)**

If applicable you may wish to include details about who your main suppliers will be and any alternative suppliers that you have in mind should the main one let you down.

**Competitor Analysis**

Include an analysis of your own business compared to analysis of each of your main competitors. Focus on the best practice demonstrated and the gaps that you can fill.

**USP**

Define a clear understanding of your USP – what makes you different from anyone else.

**Customer Profile**

Outline what you know about your customers. Include details such as size of the market, who your customers will be, where they live, how they spend their time, what their values are, backing up as much as you can with any statistics, facts and figures you have found during your research that prove that your definition of your market is a true one.

**Appendices:**

Appendices or addendums - additional detailed reference material, examples, statistics, reports, spreadsheets, visual representations of information etc. They are used to substantiate information in the main body of the plan but are not central to the main presentation of your plan.