

How to write a Business Plan.

Prepare for business finance – an overview of what to include in your business plan.

A **Business Plan** is a formal written document that you can use to identify the purpose of your company, make important decisions about your future and secure finance.

Your business plan will outline what your business does and what you are trying to achieve. It explains what the market opportunity is, what makes your business special and how you will make it a success.

The benefits can be summarised as follows –

Internally, effective business plans –

- Act as a roadmap for the execution of business strategy and development.
- Critically evaluate and validate assumptions and thought processes.
- Enable effective internal communication and alignment of goals and activities.
- Identify key business milestones and critical performance indicators.
- Facilitate an efficient review of business progress / performance and importantly highlight areas of concern and corrective action.

Externally, plans can be used –

- Communicate clearly with third party stakeholders such as investors and funders.
- Illustrate opportunities for co-operation / collaboration / partnership.
- Demonstrate credibility and develop relationship trust.

Business Plan Contents

- Business Information
- Executive Summary
- Business Description
- Marketing Plan
- Cash Flow Cycle
- Business Analysis (SWOT)
- Operations
- Financial Analysis

Business Information

This should include all the relevant information about your Business. Business Name, Directors / Partners / Proprietor Details, Key Personnel, Shareholders, Bankers, Accountants, Legal Advisors and Finance Consultants.

Executive Summary

An overview of everything included in the business plan. The Business, Objectives, Personnel, Market and Financial Information.

Business Description

The story and background of your business:

- Business Background (Sole Trader / Partnership / Company).
- The size of your business (Sales and Turnover)
- Employee Numbers
- Where you propose trading and why
- Key business assets (property)
- Products and Services
- Management of the Business
- Marketing Activities.

Marketing Plan

- General Overview – where do you operate?
- What do you provide?
- Your USP (unique selling point), what makes your business stand out from the crowd?
- Who are your customers?
- Who are your competitors?
- Market Trends – the size of your market, growth in market and your market share.
- Sales and Marketing Strategy – how will you attract customers? How much will it cost to advertise your business?

Cash Flow Cycle

A clear explanation of how your business operates and how the cash flows in and out of the business. over a specific period of time.

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Business Analysis (SWOT)

This section will show the research that has been taken to understand and define the Strengths, Weaknesses, Opportunities and Threats of your business. This shows that you are aware of the factors that could both positively and negatively impact your business.

Operations

This section should explain, in easily understood terms, the way your business operates from a practical point of view. It serves to underline the control of day to day issues to ensure the business remains profitable). This should include:

Business Premises or Site, Plant Equipment and Tools, Quality Issues, Business Systems, Health and Safety Issues, Human Resource Issues, Environmental Considerations.

Financial Analysis

Sales Forecasts and Assumptions, Cost of Sales and Stock Levels, Gross Profit Margins, Overhead Items, Net Profit. Capital Expenditure Planned – Property, Plant and Equipment and Vehicles.

This area should also detail what happens should everything not go to plan.

"Ideally, a plan should be no longer than 10-15 pages and present business opportunities in a clear and concise manner."

(Ian Dixon Access to Finance Specialist)

Top Tips For Producing Your Business Plan

- **Do your research** – show that you have taken the time to understand your business, your opportunities and present a detailed business plan.
- **Get Creative** – once you have all the information you need, give your business plan an identity, and use your brand logos and colours to make it appealing and memorable.
- **Check your information** – proofread your business plan for any spelling mistakes or errors with your calculations. Ask a colleague, friend or family member to check it too.
- **Practice presenting your business plan** – get familiar with your business plan so that you can answer questions about it. This will really help when showcasing the plan for finance and investment.

