

CONSIDERING STARTING BUSINESS?

Here is an essential guide to writing a business plan to help you get started.

If you are considering starting a business, then having a proper business plan is essential. It provides a roadmap for your business. If you were going on a long distance journey to somewhere you haven't been before, common sense would dictate that you take a map with you. So why wouldn't you do the same for your business? It's surprising how many people carry out a new venture without the essential tool of a business plan, which provides their road map. Then again, it's not surprising how many businesses fail.

Having a business plan gives you a realistic and better understanding of what is required and what you may be up for. It can also give you a professional approach to starting a business.

There are many variations on writing a business plan however they all must essentially have the same information. They must answer the what, where, why and how's of the business. If done correctly, the business plan can be a formal tool for your business which is essential for attracting investors or applying for business loans from your bank. It will give you more credibility when approaching bank managers and potential investors.

The following is a guide for the layout of a business plan, which helps you focus on your marketing and sales effort, which is essentially 90% of your business:

Executive summary.

Begin your plan with an executive summary, which you should write last. The executive summary condenses your main points in preferably one to two pages.

Introduction

Give a brief introduction to your project, how you got the idea, where you may want to take it

Table of Contents

This is an essential part of the business plan that will help the reader find the required information easily. This can be easily generated in Word using: Insert → Index & Tables → Table of Contents.

1.0 The Industry and the Company and its Product(s) or Services(s)

This will provide information about your industry, your business including such things as your mission, vision, goals, business objectives and strategies, key success factors, entry and exit strategies, SWOT [Strengths, Weaknesses, Opportunities and Threats] Analysis, risk assessment, organizational structure and management team. It will also provide information on your product and services and will be the first section a potential investor or bank manager will read to find out about your business.

2.0 Market Research and Analysis

Market Analysis and research should be essentially carried out by a professional, because this gives credence and impartiality to your market proposal. Essentially you need to ask the following questions. Do you have a market, who is likely to buy, how big is the target market, what is the best way to communicate to your market and how much is it going to cost to reach them?

3.0 Marketing Plan

This is where you develop and analyse your marketing strategy based on your market research and analysis, including your 4P's of marketing, image branding, advertising and promotional strategy, website strategy and annual marketing budget.

4.0 Sales Development

This is an analysis of how you intend to sell your product or service your customers and build your customer base based on your marketing plan. It should include your sales forecast, sales strategies and your sales team and tools.

5.0 Operation Plan

This section addresses such issues as how you are going to run your business, [methodology], your facilities and should include your day to day procedures.

6.0 The Economics Of The Business

Essentially the operating cost, from start-up costs, operating costs and margins to Break-Even point and return on investment and loan payback.

7.0 Quality Plan

All aspects of quality related to your product or service, including systems and standards, benchmarking, warranty or guarantee, defects, returns, handling customer complaints etc.

8.0 Financial Plan

This is most likely the fourth place the investor or the bank manager will look after the industry and company information, market analysis and research, and operating costs.

This will include your financial/cash flow assumptions, cash flow projections for at least the first three years and your balance sheet.

Again, this should be done with professional assistance such as an accountant.

9.0 Timelines of Operation

A timeline of your operations is essential. This is a project schedule outlining your business activities and their estimated time at which they will occur. It can be as simple as a table or as complex as an MS Project chart.

10. Bibliography and References

It is essential to have a record of all the information sources and references to clarify any points of fact, upon which the business is based.

APPENDICES

Any auxiliary information should be put here, such as charts and extra research not directly relevant to the business plan.

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