

What is a business plan?

A business plan puts down on paper what your business will do to turn its vision into a reality. It summarises the activities, systems, skills and resources needed to achieve your short, medium and long term goals.

Why prepare a business plan?

A good business plan will:

- Help you plan for the future
- Assess strengths and weaknesses
- Highlight risks and opportunities
- Guide your business activities
- Show how you will monitor success and manage setbacks
- Establish credibility
- Demonstrate that your business can successfully carry out the existing and new projects
- Show that your plans are feasible and realistic.

The process you go through to produce a business plan is valuable in itself as it makes you think realistically about your business and its plans.

Your business plan should be prepared by a team of key people in your business and involve all the key staff, committee members, volunteers and service users if appropriate.

It is an opportunity to consult with a wide range of people and find out their views. This will help to ensure that everyone in your business understands and is happy with your business plan. If everyone is in agreement your

What your plan should include

Your business plan is a statement of intent. It should provide details of how you are going to develop your business, when you are going to do it, who's going to play a part and how you will manage the money. Clarity on these issues is important if you are looking for finance or investment.

There is no set list of things to include in a business plan as this will depend on your business.

Here is a list of some of the things you might want to include:

INFORMATION ABOUT YOUR BUSINESS

Its aims, its history, the background to your work (for example, information about your area or the people you serve) and its finances.

YOUR PEOPLE

Your committee members, staff and volunteers, including their skills and experience. You may want to include a diagram showing your staffing structure.

YOUR WORK

The services you provide and who benefits. Again, you may want to include a diagram showing how different services fit together.

YOUR PLANS FOR THE FUTURE

Plans to develop current activities and plans for new services and projects, including how they will be managed, staffed, marketed and financed. Show how this is different from what you do now and include an analysis of need and a survey of similar or related services or projects provided by other businesses. You might also analyse your business's strengths and weaknesses and any opportunities and threats (this is called a SWOT analysis) and how will you respond to these.

YOUR FINANCES

How your business and its projects will be funded. You can show this through budgets together with the details of where the money will come from.

You should also consider including a cash flow forecast. Cash flow forecasts show how much money you will receive and spend on a month by month basis, together with the balance you expect to have at the end of each month. This helps to plan your expenditure so you are able to pay your bills.

Funders use this information to check that your financial planning is sound and that your business will be financially healthy.

BACKING UP YOUR PLAN

Your business plan must show that your plans for the future will work. So you might include an analysis of the risks involved in a new project, details of the assumptions you made when planning and how you will react if things do not go to plan.

PUTTING YOUR PLAN INTO PRACTICE

Here you could include a timeline of key tasks and activities or work plan for the first year of new projects. Think about how you will monitor and review your plan and who will be responsible for this.

How detailed should the business plan be?

Just as the content of your plan will depend on your business, so will the amount of detail you put in. You may need to include more detail if your work is new or complex.

If you are a new business you might concentrate on why you were set up. But if you are more established you will probably spend more time on your track record.

Make sure that the project you want us to fund is easily identifiable within your business plan.

If you are applying for Enterprise Allowance you will have to make sure the information below is included and identifiable in your business plan:

- The name of the applicant
- The name of the business
- The legal status of the business
- Evidence that the business location is suitable and an indication that equipment is available to start work
- A description of the business, what it is and how it will operate
- The goods or services that the business will produce or supply
- The market demand and marketing strategies
- Identification of competitors and their impact

- Knowledge of taxation and relevant business laws/levies/regulations/licences
- A list of financial/legal advisors (bank, accountant, lawyer)
- Opportunities for expansion/diversification in the future
- Threats to business establishment and growth
- Prospects for employing staff in the future
- A contingency plan if things do not go as planned (for example insurance against illness or accident so that the business can operate even if the worker is off work)
- Evidence that the applicant has the skills necessary to run the business and
- The strengths/weaknesses of the plan

Presentation

Your business plan does not need to be a glossy document with lots of colour pictures, diagrams and jargon. It is more important that the information is clear and easy to understand. Although you need to include the amount of detail that's right for your business, a large document may not be very workable. It may be difficult for you and us to find important information. If your business plan is large you may not use it and other people are less likely to read it.

Whatever the size of your business plan, it is always useful to have a contents page.

A sample template that you might want to use follows

You can find further information about business plans at www.nzte.govt.nz and www.biz.org.nz

BUSINESS NAME:

ADDRESS:

PHONE:

BACKGROUND INFORMATION:

WHAT WILL THE BUSINESS BE?

LEGAL STRUCTURE:

BANK DETAILS:

ACCOUNTANT'S DETAILS:

MISSION STATEMENT:

BUSINESS OBJECTIVES:

SHORT TERM:

LONG TERM:

MARKET ANALYSIS:

TARGETED MARKET:

COMPETITORS :

PRICING POLICY:

SALES ANALYSIS:

LEGAL REQUIREMENTS:

YOUR TEAM'S SKILLS:

HUMAN RESOURCES:

YOUR OPERATIONS :

FINANCIAL FORECASTS:

FINANCIAL PLANNING: