

WRITING A BUSINESS PLAN

EXECUTIVE SUMMARY

- Overview of the business, opportunity, market, marketing plans, financial plan and funding required, ownership
- The executive summary is the **MOST** vital part of the business plan — it has to sell your strategy for success to the investor.
- The summary is an overview of the entire plan and must contain the highlights of the business plan and summaries of each section. Therefore, although it is at the beginning of the document, it is usually written last to capture the essence of the plan.
- The summary stands alone and should not refer to other parts of your document.

BUSINESS DESCRIPTION

- Name of business
- Type of business
- Ownership
- Location

MARKET RESEARCH

- Define your target Market
 - Who will be your customers?
- Describe the need for your product or service
 - What's available / What's not available
 - What need does your product / service meet?
- Review the competitors in this market
 - What do they do well?
 - What do they do poorly?
 - Why will your product /service succeed?

PRODUCT / SERVICE PLAN

- Description of product or service (*product*)
- Time to make product / give service
- Equipment needed to make product / give service
- Where will you get the raw materials from and at what price?

MARKETING PLAN

- Where will you sell your product or service? (*place*)
- At what price will you sell your product / service? (*price*)
 - How will you sell your service / product?
 - How does your price compare to the competition?
 - Any discounts offered?
 - Why is this price sustainable?
- How will you promote your product / service? (*promotion*)
 - Advertising / publicity
 - What / where?
 - What budget is required?

FINANCIAL PLAN

- Your financial projection should include sales volume, selling price, start-up costs, operating costs, the capital required and a repayment plan and be developed across the following time periods:
 - On a weekly basis for first 3 months
 - On a monthly basis for next 9 months
 - On a yearly basis for next 4 years
- Estimated income should include
 - Sales volume
 - Selling price
 - Discounts
 - Cost of credit
- Operating costs should include ALL expected costs
 - Salaries, electricity, rent, marketing costs, stationary, telephone, transport
- Start-up costs
 - Once off costs of getting the business going
 - Purchase of equipment, materials, stocks
- Start-up capital required and repayment plan
 - Show how much capital is required
 - Develop repayment plan and cash flow plan showing the breakeven point

RISKS TO THE PLAN

- To financial projections (lower volumes, lower price, higher costs)
- Unexpected events
- Plans to mitigate risks