

How to use this document:

This document is designed as a set of cards to be printed on 8 x 5 inch record cards but it can be printed on plain paper and then the cards cut from that.

Using the cards you can then “shuffle” them to design your own “story board” for your pre-planning process in the order you feel comfortable with and then merge cards or ignore cards as you feel relevant. Some of the topics are then duplicated in the actual plan itself.

It must be absolutely clear that this does not necessarily cover everything that should be prepared and, on the other hand, may well contain more than you need. The answer to this conundrum is to establish who the audience is and what they are looking for and then adapt the plan accordingly. It is also very possible that you will end up with different versions of the plan for different purposes.

These cards form part of the overall Business Planning Process covered by the presentation “Structuring Your Business Plan” and should be read in conjunction with that.

Personal Outcome

Decide what you want out of the business personally for you and your family and why you are doing it before deciding what the business itself will look like.

For example “I want enough money to live on (define the amount if you can) and then sell the business for £x in x years so I can retire” or maybe “I want to build the business up so my children (and their children) can take it over in x years”. This could also be a personal “mission” to change the status quo for whatever reason but it is your personal outcome not that of the business. There is no right or wrong answer to this – simply state what you want to achieve whether this is a good lifestyle OR become then next Bill Gates! The business is there to deliver your personal outcome. Be as concise and specific as possible and use S.M.A.R.T.

Personal Risk Assessment

Carry out a personal risk analysis of what could happen if it all goes wrong i.e. what are you really prepared to risk on this venture – your house/home, relationships etc.? This stage relates to you and your family not the business itself. Remember that starting and growing a business from scratch can be all consuming in terms of time and money e.g. define that you are prepared to put a maximum of £x into the venture and once that has gone then stop or seriously re-think your options. If you are seeking finance from banks or other sources you may well be asked to sign Personal Guarantees and or provide “hurt money” – you need to be aware of the risk of these and take professional advice before proceeding.

Elevator Pitch.

Write your elevator pitch – one sentence on each of the following:

Pain – what pain or problem are you trying to solve?

Premise – what do you actually do in plain language?

People – who is on your team and how good are they?

Proof – why will someone buy from you and not your competition?

Purpose – why are you doing it? (if not to make money or a return for shareholders then do not proceed down the VC route!)

This then sets the scene for the rest of the plan because you can then articulate in simple terms what you are trying to do and the rest is fleshing this out and adding the detail. Do not use jargon, business-speak or anything that is misleading or over-exaggerated.

Business Values.

At this stage you may wish to set out the values or ethos that you wish to set for the business – “what you stand for”. This may include the business structure (e.g. limited company, partnership etc. or even a social enterprise) and also the way in which you conduct business (e.g. Fairtrade™, eco-friendly, equality and diversity etc.). This is sometimes called the “company credo” and most large companies have a concise statement of what this is and it is very useful to have one to define the way in which you intend to operate especially if you wish to be an ethical business. It can also be set out in a “Mission Statement” which tends to combine the Vision with the Credo. This will be the key to building your Brand as you move forward.

This can also be called your business **CULTURE** or **PERSONALITY** and defines the way people will perceive your business and how those working for you behave and work.

Vision

Define the vision of the business in terms of market position in one short sentence. One way of doing this is to start from the point that, in x years time, you are asked by a complete stranger what you do? How do you reply? e.g. “I am the MD of the leading supplier of Fairtrade™ widgets to the x market in y geography.” So working back from that your Vision will be “to become the market leader in the supply of Fairtrade™ widgets to the x market in y geography in x years time”. Wherever possible include terms like “the market leader” or “one of the market leaders” irrespective of how defined the market and geography are e.g. a coffee shop may want to be “the best in the city” or you might want to be the “UK market leader in x niche market”. It MUST be S.M.A.R.T., no more than one short sentence and you have to be able to test it numerically and qualitatively e.g. what market share do you need to be market leader?

Outside Help

Get outside help as soon as you feel comfortable that you can discuss your idea and have thought it through. This may be a friend, colleague or family as long as they are trustworthy! You should follow this up with a business coach or mentor and also get an accountant and solicitor, at least lined up if not fully engaged with your business. Your professional advisors need to be suitable for the scale of business you are proposing e.g. if you plan to raise £20 million via VC's you will need serious players to deal with this.

Research

Do as much research as you can and collate as much information as you can. This will then be used throughout the next steps. Always document and record your research in a format that you can recall it. For instance if you find a quote somewhere that says “your market is going to double in size in 2 years” make sure that you can reference this correctly in your final business plan. (Note: you may need permission to use quotes). OI can assist with how you go about researching your market.

P.E.S.T.L.E.

Political

Economic

Social

Technology

Legal

Environment

This is part of the main plan but start working on it as soon as practical.

S.W.O.T.

Strengths
Weaknesses
Opportunities
Threats

This is part of the main plan but start working on it as soon as practical.

Test Plan

Start to write a Test Plan. This is an iterative process that you will keep working on to test every element of your plan so that when asked by anyone any questions you have all the answers properly documented and verified. This can cover everything from market size, to capacity to deliver, to technical credibility, legal aspects, competition etc. The Test Plan will also include Benchmarks to compare your performance with industry standards etc. Some examples:

If you state that your widget is "Fairtrade™" how would someone from outside the business test that this is correct?

If you state that you are going to have a 50% market share how can this actually be measured and tested?

If you say you can make 10,000 widgets a day how do you test that this is possible?

If you say your profit margin will be x can you Benchmark this against one or more other businesses?

Note: This is not actually part of the business plan but may form some of the appendixes.

Project Plan

Start to write a Project Plan to cover how you will carry out the whole Business Planning process – note this is for the plan not the business itself – this is covered under the Action Plan within the Business Plan!

If you choose to use the “cards” then simply have these laid out on a wall and assign a time frame and responsibility to them.

You can also use any other project tools or a simple list.