

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 business plan in the order you feel comfortable with and then merge cards or ignore cards as you feel relevant. If you have a team helping with the plan then you can allocate the work out based on the cards.

It must be absolutely clear that this does not necessarily cover everything that should be in a Business Plan 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.

Cards in blue text are not actually part of the plan but just guidelines for writing and preparing the plan.

Why?
Why You?
Why Now?

These questions are not part of the plan itself but you should always be considering these as you are writing the plan and do not include too much “stuff” which does not go towards answering these questions. Put yourself in the shoes of the reader and how they will want the questions answered whether they are investors, shareholders, bankers, employees etc.

Reasons to say NO!

It is often, sadly, true that one of the first things a person reading a business plan wants to do is say NO!

Bankers, Investors, Business Angels etc. all get many, many business plans every day/week or month and they simply cannot approve them all so they are looking to reject as many as they can early on.

So the key purpose of this process is to ensure that they cannot say no to your plan because there is something wrong or something missing.

So, again, please bear this in mind when working through the whole plan.

Audience

Who is the plan for?

This is NOT part of the plan itself but before commencing decide who is THIS plan aimed at and be prepared for more than one version aimed at different audiences.

Cover Page

Heading, your logo, company registration number, registered address, table of contents and version number and date (it is important to keep track of version numbers and changes to your plan). Also include a copyright notice e.g. ©your business 2010 and you may want to add some thing like “copyright in this document lies with xxx and cannot be copied, reproduced or shown to any third party without the specific written permission of xxx”.

Table of Contents

It is important that the reader can find their way to a certain point very quickly. Assuming you are using Word then this is relatively easy to do. Number and reference all pages including appendices.

Executive Summary

Write this when you have written the rest of the plan and it must not be more than one page and needs to cover the exact purpose of the plan – i.e. if you are seeking £20 million in VC funding then it needs to be absolutely clear that that is what you are doing and what they will get in return.

Your Elevator Pitch may be useful here.

Extended Executive Summary

You may need an extended executive summary as a completely separate document – probably about 3 pages maximum which can be used as a “flyer” for the business to establish interest from potential investors/funders and to establish eligibility for grants, funded loans etc. This is a précis of the main part of the plan covering key points with one or two paragraphs on each but must include how much money is needed and what for.

Vision & Core Values Culture/Personality *What do you stand for?*

Taken from the pre-planning process and this should include your sustainability credentials with your Environmental Policy as an Appendix.

Business Description

What are going to do?

This could be attached to the Vision under a single heading if you wish. No technical language or jargon but very simple language that a first time reader who has no knowledge of your market can fully understand. The reader must be able to “get it” on first reading – use your **Elevator Pitch** as a starting point and then expand on it.

Background

How did you get here?

A brief history of the business (if there is one) or how the idea came into existence – this could have elements of the PESTLE analysis embedded in it.

If you are an established business document the current status with, maybe, the last years main figures and then have the accounts as an appendix. If you have run previous businesses or are involved in other businesses mention these as well in summary and add their accounts as appendices to show that you can or have run a successful business and any experience/knowledge relevant to the current plan.

Market Need & Size

Who is going to buy?

You must be able to express very clearly why there is need for your product or services – what pain are you addressing and who is your target market? Focus here on the whole market not what you are going to do – this comes later! Use the output from the PESTLE analysis to put the market into context of today's business environment. Back all this up with lots & lots of documented and cross-referenced research.

Competition

Who are you up against?

No matter what you think there is competition out there for your product or services and you must be able to demonstrate that you fully understand the “competitive landscape” which may be direct or indirect or even appear from nowhere. Do not “knock” the competition but analyse them. Cover the “threshold to entry” - if the market is as big as you say it is and there is a very low threshold of entry then the competition will pile in and may swamp you. Have an appendix that covers a list of major competitors with as much information, accounts, comparative figures, SWOT analysis etc. You can use “Porter’s Five Forces” to analyse your competition. Focus on the competition itself not how you will beat them – this is the next stage.

Your USP

Why YOU not them?

This is absolutely critical and you must be able to demonstrate your Unique Selling Proposition and “value proposition” compared to the competitors. This could be price, service, business model, new technology, sustainability, green credentials etc. etc.

What are the “Features, Functions and Benefits” of your product/service?

Focus on the Benefits as this is why people buy.

Brand & Marketing

What will you look like?

How you present yourself to the market and how you will make the potential buyers aware you exist and build your Brand. VCs and Angels in particular are looking for Brand development.

The main body should contain a brief summary of the Branding and Marketing Strategy along with, if possible, some Awards or quotes to reinforce your ideas. Ideally you will have a full marketing plan in the appendices.

Business Model

How do you actually make money?

In today's business environment the Business Model you choose is, potentially, very different from the "traditional" one of buying or making something and then selling it at a profit - especially if you are a web based business. Hence it is important to demonstrate how your idea will actually generate a revenue stream(s) over a period of time. This should cover product costing, pricing, different forms of income etc. Recurring revenue is often more sustainable than "one off" sales and is very attractive to investors or those seeking to buy your business in the future.

Sales & Pricing

How do you get cash in the bank?

Having made the potential buyers aware of your offering how do you actually “make the sale”?

The main plan should be a summary e.g. sales force of x people, channel sales, distributors, web, pay per click, franchisees, retail outlets, licensing etc. with the detail in an appendix.

Operations

How do you actually do it?

Having sold the product/service how do you actually deliver to the customer? What is the Customer Journey and the Supply Chain? Again this will depend entirely on what you are doing but it must be absolutely clear that you have the capability & capacity to deliver against the sales figures. This reinforces your Brand and must be consistent with your core values. It is very often THE key differentiator in the market.

Main plan contains a summary e.g. x people doing this job, methods of transport, implementation, delivery etc. etc. Detail in the appendix.

Infra-Structure

What systems will you have that hold it all together?

To grow and develop a business you must have the systems in place to allow the business and the people to grow and develop without constraint.

So this covers hardware, software, networks, connectivity, phones, mobiles, etc. etc. Typically high growth businesses spend more on these areas than their competitors and you need to have the correct mechanisms in place for all of this.

Measurement & Control

How do you "count the beans"?

"If you can't measure it you can't manage it" - describe how you will control and manage the business especially if you are projecting rapid growth. How will you keep control of the finances, cash flow, expenses, cost control, debtors, creditors? What KPI's will you use?

HR, Legal & Governance

How do you stay on top of everything?

What method of governance will use? Non-executive directors, board?

Include your HR policies and, in particular, your policy on Equality and Diversity as appendices. This is very important to investors today and also essential if you wish to be considered for contracts with any public body and many larger private organisations.

You should also include all of your advisors such as solicitors, accountants, bankers etc.

People

Who & how good are you?

Describe the team you have at the moment and who you need to fulfil the plan with a brief business structure and roles. If key people need recruiting how will you do this and make sure they are the right people? Too many blanks in the structure might show a weakness but better that than fill them with people who may not be suitable. Investors may be wary of too many “friends and family”. Include detailed CV’s in the appendices. Illustrate the skills that you have available and how this will make it all work including Leadership and Management skills/experience. Most investment decisions rest on who you are and the strength of the team rather than the actual product/service. Put simply “Can you be trusted with their money?”

Intellectual Property

What do you really own?

Demonstrate quite clearly what IP you own and what (if any) you do not own. Lack of ownership of IP is a major “put off” for any outside investors and makes you very vulnerable. You also need to demonstrate how you will protect your IP with trademarks, patents, registered names, domain names, social media accounts etc. to prevent someone else stealing your idea and copying it. IP is one of the major sources of adding value to a business when it comes to selling. Include copies of Trademarks, Patents etc. in the appendices. You also must be absolutely clear that you are not infringing anyone else’s IP with your plan e.g. the use of the term “fair trade” is a registered trade mark! You can also include any certifications such as ISO9001, Investors in People if not mentioned elsewhere.

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

Where are you in the "big scheme of things"?

This puts your business into the context of current and future changes to the world in which we live. If you feel this is required include a brief summary with the detail in an appendix so as not to clutter up the main document. This is optional but if your plan relies on changes to legislation, demographics, technology etc. then you must include this. Alternatively you may put the full PESTLE analysis in the appendices and then interweave the results into the whole plan especially the market positioning.

S.W.O.T. Analysis

What are the Opportunities & Threats?

Most business plans contain a SWOT analysis of some sort. This relates to the business in the context of how it fits into the current market situation as opposed to Risk Assessment, which is based purely on the business.

As always a summary in the main body and detail in the appendices if you need to fill it out.

Risk & Change Analysis

Murphy's Law?

“If it can go wrong it will go wrong and when it starts to go wrong it goes really wrong...”

Although not absolutely essential it is good practice to have this because it shows you have thought through not only what could go wrong but also what could change and, hopefully, put in place processes to prevent it going wrong or dealing with the change. This is complimentary to SWOT where you are looking at THREATS to the business from outside not risk of things going wrong internally.

Remember that things will change and you need to be alert to this at all times and prepared to change when required.

Product Development

How do you design/make it?

If you are developing a new product then there should be a section on this about how you are doing it and the technology etc. behind it. Summary with appendix is often the best way to deal with this. This can be “slotted in” to the plan in the most appropriate place. Include any testing and legal approvals required to bring the product to market.

Note: Product does not just mean a physical product but could also include a service or set of services combined to deliver something different to the customer.

Innovation

How do you keep ahead?

In today's ever-changing world it is essential that you are looking to innovate and this may well be the core of your whole business plan i.e. you are doing something different from the way it has been done before. So two real issues to cover here: 1. What is innovative about what you are doing now? 2. How will you keep it innovative going forward?

This may well be embedded in the rest of the plan so does not need a separate section but important that you identify these two key points.

Partners

Who are your allies?

If you intend to work with specific partners for supply or products, raw materials, technology, delivery, transport, sales etc. then these need to be mentioned with validation that you have agreements in place with them.

This can be “slotted in” to the plan in the most appropriate place. Collaboration is seen as advantageous today not a weakness so any collaborations you are working on should be mentioned.

Financial Summary

What do the numbers look like?

Provide summary figures for at least 3 years (preferably 5) in the main body of the plan with all the details in appendices. The summary should cover P&L, Balance Sheet and Peak Cash Flow requirements and answer the following key questions:

How much money do you need and when do you need it?

What for?

How? – loans, shares, overdraft?

When are you profitable/cash positive?

How will you pay it back/provide a return?

Exit or Succession

Where do you want to be in x years time?

If you are asking for investment then you must indicate how the investors will get their money back. This is often a tricky area and so seek professional advice on options. However even if you can grow the business without outside investors then you may well wish to think about a Succession Plan or Exit Plan of your own in line with your personal goals.