

## Business Plan outline/manual

The following business plan outline is a guide for use with the Business plan Template. . It is a very extensive outline covering all the main areas that could be included in a business plan suitable for small to medium enterprise. The template is designed to start you thinking about your business and what you wish to achieve. Your plan is your roadmap to the future. Without it you will have no guideline or systems to measure your success.

A good business plan for a small enterprise may include from 10 to 30 pages plus an appendix which would include working papers and reference materials. Your plan should be SIMPLE, well laid out and easy to follow. Not long winded and hard to understand. The business plan should be yours – to follow, to read regularly and to measure your current position in the market place in which you operate.

### Please note

Save the Business Plan template to a working directory on your computer.

*>file > save as >(select your directory) > Click save*

Then open that file and work on it each time you wish to add information.

Use the template as you wish. Some headings include suggested text. If you wish to use the text please think through how it fits with your business, your writing style and plans. Amend, delete or add to it as you see fit.

If you have specific pictures of products that would be of benefit to the reader to view, then include them. BUT reduce the picture dimensions to around business card size before including.

This is your plan – It must reflect your dreams, and aspirations. It must be logical, well researched and include simple but detailed information that will help you achieve your goals. Just as importantly it must let the reader identify your intentions and the methods you have used to establish financial calculations and researched statistical data.

If you have any suggestions amendments or corrections to this document, or questions, please email them to Lyndon Hay - [lyndon@csbec.or.nz](mailto:lyndon@csbec.or.nz)

To add information to the plan, do so in the text box fields provided. To move between text box field use TAB key on your keyboard. Text will automatically flow from line to line and page to page.



# Business plan template

## Business Profile

The Business profile is written last and gives a broad overview of the operational plan. It focuses on the main points of the plan and should be no more than one page in length.



The business profile is designed to be an introduction to your business plan. It covers all the areas that any prospective person reading the plan will want to know. It should be written in such a way that readers gain an immediate 'feel' for your business and what you intend to do, rather than having to read all the sections. In addition, readers will find the more detailed sections easier to read if they start with an overview.

So the business profile is like a condensed version of the main business plan that follows on.

The headings for the business profile are listed below from Executive summary and include Background and Business Management/advisors and require your input. Remember complete this section last and get the information from your completed business plan that follows.

### Executive summary

The purpose of this section is to capture the interest of the reader by summing up in a few brief paragraphs the nature of your business and for what purpose the business plan has been written. This will come from the information you include in the Business Plan below.

Underneath this brief overview should be some simple information such as what type of legal structure has been chosen for the business (sole trader, partnership or company) and your contact details, such as name, address and current situation.

Read the full BUSINESS PROFILE above before completing the next few text boxes

### Background

Give a brief overview of the reasons behind your decision to develop your business.

### Business management/advisers

List, Accountant, Lawyer, Business Consultant, Bank, Insurance, Trade associations, other key professionals.

## Operational Plan

### The business

Name of Business, Management/Owners, Business type, Location, Hours of trading,  
Structure: (Sole trader, partnership, Limited Liability Company)

### Synopsis of the business

#### **Background**

##### History

Offer a brief history of the business so far (how long you've been in business, major events that have shaped the business).

If you're not yet in business, then talk about your own background and the skills and knowledge that you have related to your business idea that will help you with the setting up of your business.

## Goals

Here you state what you're hoping to achieve with the business, both short term and long term. Short-term objectives would be within one to two years.

Try to put some dates on these goals because no specific timeline means your chances of success start sliding towards zero.

## Products or services

Products or services that you are offering to the public must be described. Avoid technical jargon. Instead describe the business for the average reader. You may know your business inside out, but potential readers will not. If the reader of the business profile does not have a clear idea of what you are doing or intend to do, then the rest of the plan will not make the impression you are seeking.

At this stage briefly explain how your business product or service is supposed to be better than the competition. What special aspect(s) of your business will distinguish it in the marketplace?

## Patents and trademarks

Comment on any patents or trademarks that may be relevant. Most businesses will not have to bother with patents as the great majority of businesses are copies, alterations, or developments of existing business ideas. If you think your idea is special, the chances are still that the idea will not be patentable. Even if you could obtain a patent, ask yourself whether you will have the resources to fight in court any competitors who copy your idea.

## Location

Talk about the location of the business if this factor is important. If you intend becoming a retailer, then the location is crucial (good foot traffic and parking is a must). A manufacturer may need to be near a major road, distribution centre, railway siding or port. If you can validate the logic of where you intend setting up from the demographic information available from Statistics New Zealand then this will greatly strengthen your case.

If you're already in business, then explain the impact of your location upon your business.

## Networks and support

Describe the personal, professional and business support networks to which you have access, as these will impact upon your business success. Accountants, lawyers, business advisers or friends who are in business can be invaluable in giving practical advice to you. If you're working with other businesses (such as subcontracting work out) then include their credentials.

## Other relevant details

Add in anything else that a potential reader will want to know, that is not covered in other sections.

## ***Distinctive competence***

What is it that you can do in your business that will be different from your competitors?

## ***Competitive advantage***

What do you intend to do with your business, that will give you an advantage over your competitors. (how your business will be different from others?)

## ***Suppliers and stock policy***

Who will be your main supplier of your stock?

## Stock purchase

Who will be responsible for the purchase of stock supplies?

## Stock control

If you will be selling products of any description, describe how you will manage the levels of stock on hand and how you will determine when and how much stock you will need to reorder? How will you identify slow moving products and the disposal of outdated or unwanted products?

What systems will you have in place for re-ordering? How will you treat end of line items that are not selling?

### Stock Rotation

What systems will you have in place for stock rotation?

### **Health compliances**

Detail any Health regulations you are required to comply with.

### **Customer quality statement**

Outline your promise to customers.

### **Rules and Regulations**

Have you conducted a thorough research into the business regulations relating to the business, and are you familiar with all Central Government and Local Body bylaws, rules and regulations?

Outline your research and the results.

### **Fair Trade Act**

Are you familiar with the Fair Trading Act?

Confirm here that you have familiarised yourself with the Fair Trading Act.

## **Profile of principals**

### **Principal Applicant**

Outline the details of the Principal partner.

Include - name, address, contact numbers, academic qualifications, share holding, position held in the business and duties performed in the business.

List any other information you feel may be relevant.

### **Business partners**

Outline the details of all other business partners.

Include - name, address, contact numbers, academic qualifications, share holding, position held in the business and duties performed in the business.

List any other information you feel may be relevant.

## **The information base and controls**

Please provide details of programs, systems and/or types of records that are kept in your business. This list will show the managerial control you will have over your business and the type of information that can be extracted from your records. What security and backup systems will you have in place to guard against loss of important records?

### **Security**

List any security systems to protect stock and data information that you will use. Eg. Backup will be daily - incremental, weekly rotating and end of month total backup. All computer information will be backup to disk and a copy stored off site.

### **Controls**

List the controls you will have in place to ensure that your business runs smoothly and information will be available to you if and when required.

Eg. Records will be kept of all revenue gathered and for expenses paid. A computerised financial program with cashbook will be maintained with records written up daily and used as the main source of information for accounting purposes.

### **GST**

Indicate here if you will register or have already registered for GST.

## Credit

Will you offer any credit facility to your clients? Describe here how you will determine who will get credit and how you will manage clients who wish to pay you later.

## Business Vision, Goals & Objectives

### *Vision*

Compiling a business plan is a process that begins with a broad goal. This broad goal is the vision (dream) that drives us to make a success of our business venture. We need to have a reason for doing what we are doing. Please give serious consideration to the vision (dream) that you have for your business.



### *Goals*

A goal is a statement describing in general terms a desired outcome. To reach your vision (dream) you need to set a series of goals that you can implement.

A goal should be a clearly defined and measurable outcome that you want to achieve over a period of time. For now you should have immediate goals that you want to achieve during the first three months, and some short term goals to achieve during the next twelve months. Your goals should be clearly defined, (written in such a way that there is no confusion about your intentions) and achievable yet challenging. Your goals should be kept brief (no more that 25 words)

### **Immediate goals**

Goals to achieve in the first three months. (In 25 words)

### **Strategy**

Once you have set your goals you then decide on a strategy. What you will do to achieve each goal and a series of action steps you will take.

### **Immediate goal No 1**

We will (write your #1 business goal)

Now outline the strategy you will use to achieve this goal.

Your strategy is the method or approach you will adopt to achieve your objective.

Now list the actions steps you will take to put your strategy into action.

Action step	Responsibility	Date start /finish	Cost
1			\$

Now continue on with all other goals using the template above.

### **Short term goals**

Develop some short term goals to achieve during the first twelve months using the template outlined above.

## Marketing Plan

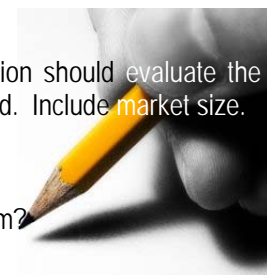
### **The market outline**

#### **Market description**

Give an overview of the market you are entering in to. Your market description should evaluate the overall customer base and the products/services (in very general terms) that they demand. Include market size.

#### **Competition location**

Where are your competitors located? Where do your competitors sales come from?



## **Market Trends**

Highlight any key factors and trends that are relevant to your market. Outline any special regulatory factors that affect your market, such as legislation, quotas, trade wars, technology and so on.

## **Customers**

### **Current customers**

If you are already in business who are your existing customers? To maintain your present level of business you will need to retain these customers. Give a brief outline of your customer base (not individual names)

### **Potential customers**

Who are your potential customers? They are presently buying from elsewhere. To increase your business revenue you need to identify this market. Where do you see the opportunity to increase your business?

### **Segmentation**

Are you able to divide your customers into identifiable groups? (market segments) Which groups are providing you with the most business?

### **Location of Customers**

Where are your clients located?

## **Competition**

The only way to gain new customers is to take them away from someone else. This section will help you determine who your competitors are and identify their strengths and weaknesses.

### **Main competitors**

Provide a detailed outline of the main groups of your competitors, and an evaluation of the activities of these main groups.

List the strengths and weaknesses of these groups.

### **Other competitors**

Provide a detailed outline of any other groups of competitors and an evaluation of the activities of these groups.

List the strengths and weaknesses of these groups.

## **Products and Service**

### **Range**

List the key products or services you offer your clients.

List by main product groups not individual lines.

What percentage of your total sales does each product group represent?

Do you intend to introduce new products to the business? (describe)

### **Warranty**

What warranty do you offer on your products or services?

### **Credit terms**

Do you offer credit terms? Please describe.

### **Uniqueness**

Describe what makes your product/service unique from that of your competitors.

## **Price**

Give details of pricing for your products/services.

What margins are built in to your products/services?

Are there any special pricing considerations built into your products?

Are prices driven by the competition or are you free to set your own prices?

## **Suppliers**

Who are your Key suppliers?

Provide contact details for key suppliers. List the products they supply.

## **Marketing activities**

### **Current level of sales**

Give details on your current level of sales as a total annual figure.

Only complete this if you are already in business.

### **Distribution methods**

Give details on the method of distribution that you use or will use.

(how and where will your sales take place?)

### **Current promotional methods**

List the promotional methods your business currently uses.

The main methods are:

Advertising. eg - web - TV - radio - mailbox drops - directories signs.

Publicity. eg - word of mouth, media releases etc.

Personal selling. eg - sales reps, quotations, telemarketing etc.

Sales promotions. - exhibitions, trade shows, contests etc.

Give details on your present promotional activities and how often you use them.

Do you plan to use any other methods in the future? (other than those presently used)

Only complete this if you are already in business.

### **Marketing strategy**

What marketing activities will you use to promote your business and products.

Give details on your planned promotional activities and how often you use them.

## **Market predictions**

*Describe present predictions of the market you are serving and the key sales and industry trends.*

## **SWOT Analysis**

We need to know what our business does well, and what we are good at, and what we are not so good at, to be able to improve our performance and reach our goals.

Under the following headings provide a list of your business Strengths, and Opportunities as well as your business Weaknesses and Threats.

### **Strengths**

In the first field detail the advantages your business has over its competitors?

In the second field detail how can you maximize these strengths to work to your advantage?

### **Weaknesses**

In the first field detail any weaknesses within your business that may impede the development and profitability?

In the second field detail the steps will you take to overcome these weaknesses and improve your potential for business success?

## ***Opportunities***

What opportunities could you take or introduce to improve the company profitability. eg. new products/services, location, technology, customer needs.

## ***Threats***

In the first field detail list anything you feel may threaten your company and its viability. eg. competitors, price cutting, new products etc, or environmental threats such as fire, power outage, stock shortages, political changes etc.

In the second field detail the steps will you take to overcome these threats should they ever occur? It is important that you have a plan in place to cover major threats to your business profitability.

## **Staff Plan**

### **Staff outline**

Can you operate without staff?

If you do not have staff who will operate the business if you are absent?

How many staff are presently engaged in the business?

Who are your current staff? Not names but their duties and functions.

What are your staffing objectives?

How will you select and train staff?

What are the areas of staff responsibility?

What are their expectations?

What incentives are offered to employees?

What are the individual rates of pay, and the hours worked each week, for each employee?

Which administrative and financial record systems do you use to manage employees?

Who will manage these records?

Write a commentary outlining any of the questions above that are relevant to your business.

### ***Primary personnel***

List the positions along with details of this position.

### ***Casual staff***

List the positions along with details of this position.

### ***Part time***

List the positions along with details of this position.

### ***Job descriptions***

Give details of job description for any staff you will employ and NSZCO numbers where applicable.

### ***Staff skill requirements***

What specific skills will staff require to work in your business?

## **Future plans**

Looking at your future plans what are your staffing objectives?

Who can (and will) replace you?

Can you handle emergencies and your absences from work?

What are your future staff requirements and plans?

What effect will technology have on your staff plans?

# Financial

## Introduction

The introduction is written last (after Financial plan below is complete) and gives a broad overview of the financial plan.

It focuses on the main points of the plan and should be no more than one page in length.

## Owners Contribution

*What is your financial investment in the new business?*

## Start-Up Costs

What are the start-up costs involved in your new business?

### **Plant list**

Include full details of the plant schedule.

Item	Value
	\$
Total value of plant	\$

## Profit and loss

Include Profit and Loss spreadsheet

## Projected Cash flow

Include Cashflow spreadsheet

### **Notes to Cash flow**

Include assumptions. (details and calculation notes of how you arrived at your projections into income and expenses)

### **Analysis of the cash flow statement**

Write a brief summary of the information contained in your cashflow spreadsheet.

## Break even

Break even is the level of sales that equals the total of all costs - that is, the point at which there is neither profit nor loss.

If you have calculated your breakeven point then insert the graph from your spreadsheet.

## Appendices

List documents to be included in with your business plan.

