

Factsheets

No.2

Business plans

The key to success is the business plan. If you need finance no bank manager will lend you money without a sensible plan.

The business plan should cover the following areas.

- An **overview** of your plans for the business and how you intend accomplish them. Try to avoid technical jargon, as this is the section most people who are new to your business will read.
 - A **description** of the business, objectives for it and how you will achieve them. Details of the background of your business, how long you have been developing your business idea?
 - Details of **key personnel**, including you and any external consultants etc. Highlight skills and expertise that the people in the organisation have and how you aim to deal with any weaknesses.
 - Details of your **product or service** and any unique selling points. Outline your pricing policy.
 - Details of your target **markets** and any marketing plans. Include details of your competitors and the likely market share together with the capability for growth.
- Include information of your proposed operating **practices** and production methods. You should also include details of premises and equipment requirement.
 - **Financial forecasts** should cover your projected performance and the assumptions made in your projections. What you have already said about your business will be converted into numbers; it will include a cash flow forecast which shows how much money you expect to flow in and out of the business as well as profit and loss predictions and balance sheet.
 - **Financial requirements** the plan should state how much finance you require and in what form. The cash flow forecast referred to above will indicate as to how much your business will need. You will also have to state what the finance will be used for and show that you will have the resources to make the repayments. You may also give details of any securities you can offer.
 - **Your business plan should be updated on a regular basis, used as a tool; performance can be monitored and measured as part of the corporate planning process. Used properly it keeps the business focused on objectives and inspires a discipline to achieve business goals.**



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