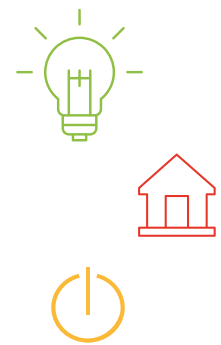


Business planning

Quick Summary

- A business plan is a living document that gives your business clear direction in its journey towards growth containing a range of documents from marketing and sales strategies to financial forecasts
- The plan needs to include a range of different topics and requires a great deal of planning and consideration
- A business plan can be used internally or aimed externally to help 'sell' your business to outside investors.



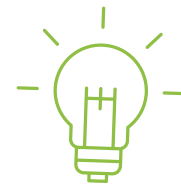
Introduction

Benjamin Franklin once said "By failing to prepare, you are preparing to fail" – this is also true when managing a business. A business plan is a written document that describes a business, its objectives, strategies, the market it lives in and financial forecasts. It has many functions, from securing external funding to measuring success and monitoring progress of your business. Without this plan, your business is likely to not succeed or at the very least, not reach its true potential.

Writing the plan down helps to clarify your thinking and identifies where you intend to get to and how you intend to get there. However, once the plan has been thought out, it shouldn't be forgotten about. You should review your progress against your business forecast regularly throughout the year, and make any necessary adjustments to get you back on track if necessary.

A business plan is a living document that needs updating and changing as your business grows. Having a clearly presented document will also make it easier for any specialist you may use to provide support. In the case of raising funds from a bank or investor a business plan will be a necessary requirement.

What a Business Plan Should Include



The structure of business plans can vary however; they will typically include:

- 1. An executive summary** - This is essential as it's an overview of your business. Many lenders and investors make judgments about your business based on this section of the plan alone
- 2. A short description of the business opportunity** - Who you are, what you plan to sell or offer, why and to whom
- 3. Your marketing and sales strategy** - Why you think people will buy what you want to sell and how you plan to sell it
- 4. Your management team and personnel** - Your credentials and the people you plan to recruit to work with you
- 5. Your operations** - Your premises, production facilities, your management information systems and IT
- 6. Financial forecasts** - This section translates everything you have said in the previous sections into numbers

Don't fall prey to the Curse of Knowledge. Not everyone reading the plan will understand your business or products, so don't assume that they will speak or understand the same industry language as you. It's a good idea to get someone who isn't involved in the business - a friend or family member perhaps - to read this section of your plan and make sure they can understand it.

Aiming the plan at people outside the business

Due to the living, breathing nature of your business plan, it can be the perfect document to 'sell' your business to various people. For example, your plan might be aimed at:

- Raising bank or equity finance
- Selling your business
- Attracting new senior management
- Attracting business partners

Whoever you are aiming your business plan at, you need to think of the audience. This will then influence the language used and specific content included – for example – if you're trying to 'sell' your business to your bank manager for more finance, you might want to include the directors' personal track records as a way of installing confidence in said bank manager.

Top tips when writing your business plan

1. Keep the plan short

Do not include any waffle. The plan needs to be short and concise as to not bore the reader. A bored reader will result in a shelved business plan.

2. Detailed information in the appendix

This can include documents like, CVs of work force, market research data, financial forecasts and product details and technical specifications

3. Don't make the plan over-optimistic

Keep your business plan grounded in reality. Over optimistic business plans often ignore flaws within the business that can quickly manifest themselves into threats and harm the business.

4. Make it professional

This means no spelling mistakes whatsoever. Include a front cover, contents page and page numbering. Use charts and visual aids if you think it will help communicate your point better.



5. Review your plan

Don't finish at the first draft. A business plan is very rarely perfect the first time round. Spend some time writing it, then come back to it with a fresh mind a few days later.



As mentioned earlier, get someone you know (who is also part of your target audience) to read the plan. Do they understand it? If they don't, your business plan needs more work.



Does your plan assess every possible risk that could jeopardise the business? It's far better to be over cautious and prepared than relaxed and vulnerable.

Check that the plan is realistic. Ask friends or expert advisers for their comments on the plan. They might be able to tell you if it's a little far fetched or not.

Some other elements you need to think about are:

- The history of your business
- The industry, market and competition you operate in and around
- Explaining your operations and forecasted operations
- Describe your marketing and sales tactics
- SWOT analysis

As you can see, a business plan involves a lot of detail and it's not something you can complete quickly and easily. It requires time and patience to perfect however, your efforts will be rewarded with your business having a clear direction with set goals and obstacles to overcome so that you can achieve key milestones in your business.

Further information

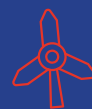
For more information on what to include in a business plan, head over to the videos section on the Business Lincolnshire website and you'll find a video by NIBusiness Info discussing business plans. Or **click here** to head straight there.

You can also take a look at the **GOV.uk page** on how to write a business plan where you'll also find a free business plan template that you can download.



Need more support?

Get in touch!



For more information visit **www.businesslincolnshire.com** where you can request support from one of our advisers by filling in the online contact form.



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