

BUSINESS PLAN

For

[Company Name]

Name of Owners, Partners or Directors Trading Status	
Brief Business Description	
Business Address Post Code	
Home Address Post Code	
Telephone (Business) Telephone (Mobile) Telephone (Home)	
Fax	
E-mail address	
Accountant	
Bank	
Date of Plan	

BUSINESS SUMMARY

For example, include: How the proposal evolved, where it will be based, what are the product or service, who is involved, when is the proposed date of trading, legal status of the business, an overview of start-up funding, etc.

KEY PEOPLE IN THE BUSINESS

Name them (state whether yourself, or any partners or key employees. Indicate if they are paid or unpaid.)

What are their qualifications/skills and experience that will help the business to succeed?

If the business is a partnership or a limited company, describe their individual role/job in the business (who does what?)

Complete your training plan to show how you intend to gain new business skills

ACTION PLAN

Personal Training Plan

Topic	Training Provider	Date	Notes

LEGAL MATTERS

PROVIDE FULL INFORMATION ON AND EXPLAIN IN RESPECT OF YOUR BUSINESS

(Note: this list is not exhaustive)

	Regulatory Requirements	Your Actions
Business Structure <ul style="list-style-type: none"> • Sole Trader • Partnership • Limited Company • Social Enterprise • Cooperative 		
Financial Issues, e.g. <ul style="list-style-type: none"> • Tax • VAT 		
Health & Safety <ul style="list-style-type: none"> • Fire Precautions? • Health & Safety at Work? • PAT (Portable Appliance Testing)? 		
Environmental Issues <ul style="list-style-type: none"> • Hazardous & Dangerous Goods? • Environmental Protection Act? • Energy Conservation in the Workplace? • Waste Management and Disposal? 		
Premises <ul style="list-style-type: none"> • Home or other? • Planning permission needed? 		
Insurance <ul style="list-style-type: none"> • Professional Indemnity? • Product Liability? • Employers Liability? • Public Liability? • Vehicle Insurance? • Contents Insurance? • Health Insurance? • Stock Insurance? • In-Transit Insurance? • Fire & Theft? • Bad Debt? • Building Insurance? 		
Employees		

Disabled customers		
Intellectual property		
Licences		
Data Protection		

YOUR AIMS AND OBJECTIVES

What do you wish to achieve over, say, the next five years?

	Firstly, For you and/or your family	Secondly, For your proposed business
Next year 2016		
By end of Year Three		
By end of Year Five		

- Do the two sets of objectives come together?partly.....

YOUR BUSINESS PRODUCT(S) OR SERVICE(S)

LIST THE PRODUCTS/SERVICES YOU INTEND TO OFFER (in the first year)

HOW OFTEN WILL CUSTOMERS PURCHASE FROM YOU? (Daily, weekly, monthly, annually)

WHAT ARE THE BENEFITS TO CUSTOMERS?

NEW OR OTHER PRODUCTS OR SERVICES YOU INTEND TO SELL LATER ON

Will this be due to technical change, fashion, new ideas or an increase in the range you will offer?

PRODUCTS/SERVICES

PRICING STRATEGY

For example, what are your base prices, what are your margins, what credit terms are involved, will delivery be included, if yes, how much, will there be bulk purchase price, etc.

Give an example of how you actually calculate your minimum prices – select a job you’ve done or a product you’ve created or purchased.

COMPETITOR ANALYSIS PRODUCTS/SERVICES

For example, who are they, what are their products and services, what is the deal, etc. Name names or groups of competitors where possible

Competitor SWOT

Strengths	Weaknesses
Opportunities	Threats

MARKET RESEARCH

Remember: Facts and figures are essential to support your research.

MARKET SIZE

- List the cities, towns, areas in which you propose to sell
- Who do you intend to sell to? How many customers will there be?
- Where will you be located?
- Are you selling to businesses or consumers?

MARKET RESEARCH INFORMATION OBTAINED FROM REFERENCE BOOKS

This should provide information on national or trade trends for your industry/service.

THE RESULT OF YOUR “LOCAL” MARKET RESEARCH IN THE PROPOSED TRADING AREA

State the number of contacts you made in carrying out the research. Attach the questionnaire you used, if relevant, and a summary of all the results and other information, e.g., names of contacts and customers.

SUPPLIER RESEARCH

Who will you obtain your supplies from? Why have you chosen them?

ANALYSIS OF MARKET RESEARCH

- Who are your customers?
- Why will they buy your product or service?
- How will they find out about your product or service?
- How often do you think they might buy your product or service?
- Is your market expanding or contracting (state by how much)?
- Why is your market expanding or contracting?
- Based on your earlier answers how do you judge the likelihood of your business success?

YOUR MARKETING PLAN

Describe how you propose to advertise and promote your products and services to your customers. Include a time plan to show the phases.

Who will do the selling? What previous selling experience do they have?

ESTIMATED PERSONAL SURVIVAL BUDGET

This form will help you calculate how much you and your family need to survive.

PERSONAL EXPENDITURE (not business)	₦ 12 months
Mortgage/Rent	
Water Rates, other taxes	
Gas, Electricity, Oil	
All personal and property insurance	
Food, general housekeeping expenses	
Clothing	
Telephone	
TV subscription	
Entertainment (meals, drinks etc)	
Subscriptions to journals, associations, etc	
Car tax and insurance)	
Car running expenses) personal use not business	
Car service and maintenance)	
Children's expenditure and presents	
Savings plan	
Hire Purchase Repayments	
Other (please state)	
EXPENDITURE IN THE YEAR Sub-total (A)	

PERSONAL INCOME FROM OTHER SOURCES	
Income from family/partner (total)	
Other income (please state)	
INCOME IN THE YEAR Sub-total (B)	
TOTAL SURVIVAL INCOME REQUIRED IN THE YEAR = A – B	

WARNING:

You need to be prepared and be able to meet these payments when they are due, otherwise a cash flow problem **WILL** arise. This could cause your business to collapse!

<u>START UP COSTS</u>	N
Please complete those items which apply to your business	
PROPERTY Purchase Lease/salaries Premiums Rent in Advance Surveyors Fees Licences CAC, Accounts	
FIRE AND SAFETY EQUIPMENT	
INSURANCE PREMIUMS Public Liability Professional Indemnity Employers	
PAINTING AND DECORATING	
SIGN WRITING, NOTICE BOARDS	
PRINTING, STATIONERY Letterheads Leaflets Business Cards Price Tags	
ADVERTISING. LEAFLETS, NEWSPAPERS	
LEGAL FEES	
EQUIPMENT/FIXTURES (include installation costs)	
TRANSPORT Purchase Lease Insurance	
INSTALLATION OF TELEPHONE, POWER, GAS	
PURCHASE OF STOCK/RAW MATERIALS	
CONTINGENCIES / MISCELLANEOUS (add 10% - this allows for the things you may have forgotten or those which finally cost you more)	
TOTAL REQUIREMENT	

START UP COSTS

Please note that this is not exhaustive. Also detail any existing assets being brought into the business on a separate sheet.

FINANCIAL REQUIREMENTS

SUMMARY OF START UP COSTS (from previous page)	₺

<u>YOUR FINANCIAL COMMITMENT AND OTHER SOURCES OF FINANCE THAT YOU ARE SEEKING</u>		₺
Own resources		
	Bank Loan	
	other	
	TOTAL	

SALES FORECAST

Month	1	2	3	4	5	6	7	8	9	10	11	12	Total
Egg Product 1 - price per unit													
No. of units sold													
Income from Product 1													
<i>Unit variable Cost N</i>													
Product 2 - price per unit													
No. of units sold													
Income from Product 1													
<i>Unit variable Cost N</i>													
TOTAL SALES INCOME													
TOTAL VARIABLE COSTS													

CASHFLOW FORECAST FOR (Business Name)

	MONTH 1		MONTH 2		MONTH 3		MONTH 4		MONTH 5		MONTH 6		TOTALS FOR 6 MONTHS	
Income	FORECAST	ACTUAL	FORECAST	ACTUAL	FORECAST	ACTUAL	FORECAST	ACTUAL	FORECAST	ACTUAL	FORECAST	ACTUAL	FORECAST	ACTUAL
Sales Invoiced														
Sales Paid														
Capital/Loans introduced														
Other income - grants etc														
TOTAL INCOME = (A)														
EXPENDITURE - VARIABLE COSTS														
Materials/Stock														
Wages/Subcontractors														
Other														
Total variable costs = (B)														
Fixed Costs:														
Wages/Salaries														
Rent & Rates														
Electricity/gas./water														
Telephone														
Property/Equipment maintenance														
Insurance														
Postage/stationery														
Publicity and marketing														
Motor expenses														
Professional fees														
Capital expenditure														
Bank Charges/Interest														
Loan/HP repayments														
VAT and other payments														
Total Fixed Costs = C														
Total Expenditure = (D) = B + C														
Net Cash Flow = A - D														
Opening Balance														
Closing Balance														

CASHFLOW FORECAST FOR (Business Name)

	MONTH 7		MONTH 8		MONTH 9		MONTH 10		MONTH 11		MONTH 12		TOTALS FOR 12 MONTHS	
Income	FORECAST	ACTUAL	FORECAST	ACTUAL	FORECAST	ACTUAL	FORECAST	ACTUAL	FORECAST	ACTUAL	FORECAST	ACTUAL	FORECAST	ACTUAL
Sales Invoiced														
Sales Paid														
Capital/Loans introduced														
Other income - grants etc														
TOTAL INCOME = (A)														
EXPENDITURE - VARIABLE COSTS														
Materials/Stock														
Wages/Subcontractors														
Other														
Total variable costs = (B)														
Fixed Costs:														
Wages/Salaries														
Rent & Rates														
Electricity/gas./water														
Telephone														
Property/Equipment maintenance														
Insurances														
Postage/stationery														
Publicity and marketing														
Motor expenses														
Professional fees														
Capital expenditure														
Bank Charges/Interest														
Loan/HP repayments														
VAT and other payments														
Total Fixed Costs = C														
Total Expenditure = (D) = B + C														
Net Cash Flow = A - D														
Opening Balance														
Closing Balance														

DEPRECIATION REGISTER

Include all fixed assets – those you need to buy and those you are bringing into the business

ASSETS	1	2	3	4	5	6
	PURCHASE DATE (if appropriate)	PURCHASE COST OR CMV	LIFE EXPECTANCY IN YEARS	DISPOSAL VALUE	DEPRECIATION COSTS = 2 – 4	ANNUAL CHARGE (5 ÷ 3)
TOTAL ANNUAL DEPRECIATION CHARGE =						*
* This figure is required for the profit and loss forecast						

This information is for depreciation purposes and the calculation of Capital Allowance
CMV = Current Market Value

**PROJECTED
TRADING AND PROFIT & LOSS ACCOUNT
YEAR 1**

	₦	₦ TOTALS
Sales invoiced		
VARIABLE COSTS (a) Opening stock (b) PLUS purchases		
(a) + (b)		
(c) LESS closing stock		
(d) Net stock usage (deduct from sales invoiced)		
GROSS PROFIT		
<u>FIXED COSTS</u> Salaries and Wages to staff (incl NICs) Gas, electricity, water Insurances Rent and rates for business premises only Postage and stationery Property and equipment maintenance Travelling and motor expense Telephone Professional Fees Publicity and marketing Miscellaneous expenses Bank charges (not <u>capital</u> repayments) Interest on loans		
TOTAL FIXED COSTS (DEDUCT FROM GROSS PROFIT)		
NET PROFIT DEPRECIATION] deduct from DRAWINGS] Net Profit		
NET PROFIT (AFTER DRAWINGS AND DEPRECIATION)		

WHAT IF? - HOW WILL YOU ENSURE SURVIVAL?

ASSUMPTIONS

In drawing up your business plan, you will have to make a lot of assumptions – some are very important in that your whole plan rests upon them. In developing your plan you will build up a list of key assumptions which will apply to your business but will probably include the following:

- A target gross and net profit figure
- Whether your sales are cash, or whether you give your customers credit with so many days or weeks to pay
- Free banking for a year – charges thereafter
- The drawings that you need to live on
- Percentage price increases from certain dates
- Stock levels in relation to sales levels
- Material costs in relation to sales
- Taxation rates, etc.

WHAT HAPPENS IF THESE ASSUMPTIONS ARE NOT ACHIEVED?

Under or over estimating your sales forecast could significantly alter your planned results and survival. For example:

STATE HERE:

What are the effects on your plan if actual sales were 10% to 15% less than your forecast? Explain how you will ensure survival?

If they are 10% less our profit margin is still able to keep us afloat

What happens if your customers take longer to pay than you planned? What would you do?

No credits

How will you plan to run your business in the event of sickness or injury to yourself and any key personnel?

Why did you make, and include, your most important assumptions in your business plan?

Now that you have completed the details of your business plan you need to return to page 3 and write up the

BUSINESS PLAN

SUMMARY

Some thoughts on the Business Summary

- It is a **summary**
- What and where your business is - location, trading style (sole trader etc), what you are selling
- **Who you are** (including any other key players) - Experience, qualifications relevant to the business – be brief
- **What your product or service is** - unique selling propositions, benefits
- **Who or what, and where is your market** - location, size in potential customers and value, special characteristics of your customers
- **How competitive is the market?** - Profit margins, important competitors, history, potential.
- **How will you supply your customers?** - Logistics, important suppliers, customer service (quality checks, complaints procedures, returns policy), terms and conditions of sale.
- **Other business goals and objectives:**
 1. Number of customers in the first year
 2. Level of sales
 3. Gross profit
 4. New profit
 5. Customer care
 6. Level of overdraft needed
 7. Level of other financial support needed
 8. Breakeven point (sales and/or time)

Finish with a concluding statement that identifies how successful you believe this venture could be.

APPENDICES

PERSONAL AND BUSINESS SWOT ANALYSIS

Remember – this is about you, not the business

STRENGTHS	WEAKNESSES
OPPORTUNITIES	THREATS