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ACCESSING MONEY AND MARKETS

**GUIDE**



# Business Plan

A guide to creating  
the most valuable tool  
in your business toolbox

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## “ A goal without a plan is just a wish... ”

### What is a business plan?

A business plan is a document that describes all the aspects of your business and outlines your overall intentions - what you want to do and how you're going to do it, **profitably**.

While it's a good idea for all businesses to create a written document of this nature, if you are planning on applying for finance or seeking other forms of investment you will almost always be expected to produce a business plan.

Your plan clarifies your business idea and defines your long-term objectives, providing a blueprint for running the business.

### Why is it worth your time?

A good business plan:

- Offers an all-inclusive blue-print of your key business activities
- Helps you articulate to yourself - and others - exactly what you're trying to achieve
- Provides some focus and structure to your activities
- Keeps everyone in your team on the same page about what's important
- Gives you a means of measuring your progress

### Things to keep in mind:

- Using a template can be helpful because, after all, most sections relate to almost all business types, but don't forget, this is your business and therefore you should try and tailor your plan to reflect the elements that are most relevant to you.
- Business plans can be used to outline short or long-term goals - often, both - but it's best not to try and do too much in one document. You need to strike a balance between being too top line with your plans to the point that you have only vaguely conveyed your intentions; and being too detailed, resulting in a lengthy document that lacks focus.
- Try and keep your business plan to no more than 10 pages - use your appendix to store additional information that provides extra detail on the strategies outlined in your main document.
- Try and avoid using too much jargon or technical terms and aim to write as clearly and succinctly as possible. A business plan should communicate your vision and strategies as simply as possible.
- Think about the purpose of your business plan - are you trying to apply for finance from a bank or a private investor? Or is this simply an internal tool for you and your team? Business plans can have different purposes and you might want to include different information or areas of focus depending on your audience.

Make it professional: include a cover with a title and create a contents page, focussing on what your reader will find within.



Use numbers, diagrams, or graphs to help make complex ideas simple and your business plan more readable.



- Where relevant, it can be helpful to use graphs, tables, graphics, photographs or bullet points to break up large blocks of text and help you get your point across.
- It sounds pedantic but remember to check your grammar, spelling and formatting - especially if you're using this to seek external investment. After all, if you can't provide a professionally presented business plan, you'll find it hard to get someone to part with their money!
- Take time throughout the year to return to your business plan and see how you're progressing. Don't be disillusioned if you haven't stuck to your plans exactly - remember that old adage about best-laid plans? A business plan expresses your intentions, but sometimes (in fact, most of the time) in business, you have to be flexible and adapt your plans and strategies in response to things outside your control, though ideally within the bounds of your key objectives.
- Finally - while it is essential to spend some quality time developing your business plan, it's also important to remember that until you get out there and start putting your plan into action, it's just words on a page. Actions speak louder than words; so don't get too hung up on making it perfect.

## Breaking down each section of your business plan

### CONTENTS

A contents page helps you organise your document and prepare the reader for what's in store.

Ultimately, it's up to you what goes into your business plan and, while we suggest the following key sections, you can add to or remove from the following list as you wish:

1. Executive summary
2. Business details
3. Key personnel
4. Products & services
5. Vision & objectives
6. Market research
7. Marketing & sales
8. Operations & policies
9. Finance
10. Appendix



### 1 EXECUTIVE SUMMARY

We recommend writing your executive summary last, after all, it's supposed to be a top line summary of everything you've included in your plan (a difficult feat if you haven't written your plan yet!).

This can be written in bullet points or short sentences - whatever you prefer - but should ultimately provide a good summary of who you are and what you're trying to achieve. If you're using the business plan to apply for finance, you might want to provide some detail on of your key financial goals or requirements.



## 2 BUSINESS DETAILS

Your business details section is really about covering off your key company information for easy referencing. Again, if you're using this business plan for external investment purposes, you might want to add additional fields to this section of your plan, including any historical details or valuation information.

## 3 KEY PERSONNEL

This is the people section of your business plan that details all the skills and expertise you have within your team in order to demonstrate that you are well-equipped to achieve your plans - or highlight any gaps. Provide a short summary of key experience, skills, training and previous employment that relates to your business. Our template only includes space for three key employees, but depending on the size and make up of your team, you may want to expand or reduce this.

It can be a good idea to include an Organisation Chart and CVs for each staff member in your appendix - this also means you don't need to provide all of the itchy-bitsy details in your business plan, just a summary.

You can also use the 'Other' section to provide details of any staff you plan to employ in the future - who you are looking for, the skills they will require, where you will recruit them from and what they'll do for your business.

## 4 PRODUCTS & SERVICES

This section offers a summary of your key products and/or services, their features and what benefits they offer to customers - or put another way, how they solve a customer pain point. You'll also need to detail your pricing strategy, offering a rationale as to how much you think customers are willing to pay for your product/services and how this aligns with your financial objectives (detailed later in your plan).

No matter what market you are operating in, you are likely to be competing with other companies for the attention of your customers - whether directly or indirectly - so this section also asks you to spell out your unique selling point, aka. what makes you different, and therefore better, to your competitors.

We recommend wrapping up this section of the business plan up with a value proposition statement - a nutshell sentence that connects your offering to its customers and makes your point of difference clear.

## 5 VISION & OBJECTIVES

This section is one of the most important in your business plan - it outlines your objectives and is the section to which all other elements of your plan should align or relate back to.

Think about your overall vision for your company - what are you trying to achieve? For a food outlet, the long-term vision might be to launch a national chain of franchises. For a new tech company, the vision might be about dominating the market share within a particular industry. You might also have a personal vision, which can be just as important, like building a sustainable and profitable business that gives you the lifestyle and financial flexibility needed to support your family.

Once your vision is clear, try breaking this down into short, mid and long term goals and objectives that will take you one step closer towards achieving this vision. The key to writing goals is to keep them as "SMART" as possible - aka. Specific. Measurable. Attainable. Relevant and Time bound.



## 6 MARKET RESEARCH

There are three key areas of research to focus your efforts around: your market, customers and competitors. Market research is an important part of all business planning because it helps you create strategies and make decisions based on evidence and facts, rather than operating on a mere hunch. While your gut instinct plays an important role in driving your business forward, it's always good to validate your ideas in some way in order to reduce your risk, and that of future investors.

**There are two main types of evidence you can find to support your claims - quantitative and qualitative.**

**Quantitative evidence** basically means facts & figures and might include things like:

- The size of your market
- Whether the market is static/declining/expanding/seasonal and the reasons for this
- Any recent trends
- Customer demographic data
- Historical data - website traffic, email open rates, event attendance, sales information

Government websites, the Office for National Statistics, or industry boy websites can often be a great source for latest research and reports to use as quantitative evidence.

**Qualitative evidence** is more about feelings, opinions and attitudes, which you might gather through things like questionnaires, surveys, interviews and focus groups results. For example, you might use a quote from a customer interview as evidence for the need to add a new feature to your product, or justify investment in a new marketing activity.

Finally, a tool that can be really helpful for synthesizing all of your market research is called a **SWOT analysis**. It helps you structure and evaluate the **strengths, weaknesses, opportunities and threats** involved in a project or a business venture. You can complete it using bullet points. Strengths and weaknesses are usually internally focussed - all about you and the things you have direct control over; whereas opportunities and threats are externally oriented - things outside your control that have the potential to impact upon your business.

## 7 MARKETING & SALES

The marketing & sales section allows you to explain your route to market and how you intend to market and promote your business. In your summary, you might want to touch on some of the following:

- How do you plan to position your products / services in the market place, including the advantages that you have over your competitors?
- What guarantees can you offer?
- What message will you use to promote your products / services?
- What strategic alliances could you make that will give you greater access to specific markets?
- Where can you find your target customers? This might be a geographic question (e.g. local, national, specific regions etc.) or a lifestyle question (e.g. online, in shopping centres, trade fairs etc.).
- Who are the 'Top 10' prospects that you have identified and why?
- How will you add value to your products / services to encourage your customers to buy from you?
- What will your marketing budget be and how often you will do it? i.e. initial marketing campaign with follow up marketing etc.

Our business plan template also provides a table for detailing some of the key tactics you think you'll use and how much they'll cost. It is worth completing this with some top line detail and to give you a sense of how much work is going to be required.



## 8 OPERATIONS & POLICIES

This section will help you define some of the practical and logistical considerations for running your business. It details considerations related to your premises, key suppliers, production processes and any training and support requirements your team might have.

This information will vary depending on what stage of business you're at. If you are at an earlier stage of trading, you're likely to have a lot of set-up considerations, whereas for more mature businesses, the focus might be on improving or enhancing some of your existing operations.

Some questions you might want to ask yourself are:

- Where will your business be located? Will you buy or rent? Is it ready to go or will it need work? What terms have you negotiated? (e.g. rent free periods, refurbishment contributions, stepped rent etc.)
- If a product based business, what are your production processes? Are there any risks?
- Are you apart of a supply chain? Who will your suppliers be and why have you chosen them? Will you have a contract with them? What are their terms and conditions? What will you do if they let you down?
- How will you monitor the quality of your goods or services? (e.g. feedback forms, mystery shopping etc.)
- What process will you use to collate important management accounting information? (e.g. spreadsheets, accounting software, on-line systems etc.)
- How regularly will you have a management or board meeting and what will you include on the agenda?
- Who are you working with to support your business? Do you need a mentor or to employ any other professional services?

The Operations & Policies section is also where you can think about any legal policy, industry or tax regulations that might impact your business for the upcoming period and that you need to keep in mind. Not always glamorous or exciting stuff - but important for ensuring your business doesn't get into any trouble.

Consider:

- What legal aspects do you need to consider? (E.g. complaints procedures, health and safety, environmental, equality, disability, data protection etc.)
- What types of insurance do you require and what tax are you liable for?
- Do you require any licenses and permissions for your business to trade?
- Are there any risks facing your business - whether in or out of your control - and how will you mitigate these?

Finally, it's important to have a clear exit strategy in mind for your business, whether it's your intention to seek investors, sell the business or pass it on to members of your family.

What position do you want your business to be in by the time you are ready to move on?





## 9 FINANCE

The finance section is arguably one of the most important sections of your business plan. GetSet offers a selection of financial templates and guides, like a Cashflow Forecast, Profit & Loss Statement and Personal Survival budget that automatically calculate your figures for you. We suggest completing these as separate items and including them in the appendix of your business plan. This will save you the effort of trying to reflect all your calculations in the main business plan and help you focus on writing a simple summary of your key financial goals and considerations.

One thing to keep in mind in this section is the assumptions you've made in order to generate your projections. There's nothing worse than committing to a course of action on the basis of an assumption that later turns out to be wildly off the mark. Gathering evidence - whether quotes, or past projections - to help validate and 'de-risk' these assumptions is a good way of avoiding this.

## 10 APPENDIX

Finally, your appendix! This is the best place to store any supporting information that adds weight to your business plan, but is too detailed to be included in the main document. You are more likely to require an appendix if you are seeking investment from a third party and need to provide evidence or proof to support your claims.

Some of the things you might like to consider including are:

- 1. Certificates/regulatory/contracts**
  - Copies of any educational, vocational, professional certificates and diplomas
  - Accreditations
  - Insurance policies and certificates
  - Trading licenses and permissions
  - Sales contracts
  - Supplier contracts
- 2. Orders or contracts secured**
  - Copies of any orders placed with your business or contracts signed
  - Commitment to purchase your goods or services
  - Outlets or intermediaries who have agreed to sell on your behalf
  - Agencies or intermediaries who agree to refer business to you
- 3. Equipment/resources already possessed and required**
  - List of capital equipment and resources already put into the business
  - List of capital equipment and resources, if required
- 4. Asset & liability statement for both personal and business**
  - List the details and values of all your assets and liabilities (self-certified)
- 5. Market research findings**
  - Self-conducted (e.g. summaries, charts etc.)
  - Professionally sourced
  - Survey or feedback form results
  - Testimonials from existing customers, clients, agencies, intermediaries



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Our approach focuses on addressing the two biggest barriers to growth - access to customers and access to finance. We offer a mixed programme of support, delivered by a team of commercial finance and marketing experts, many of whom have had experience running their own business.

GetSet is proven to deliver quantifiable and tangible benefits to the businesses we support, including improved strategic and management skills, enhanced business growth planning and capacity, finance raised, increased turnover from new and existing customers, better profitability and greater competitiveness.

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Within the Group as a whole, we've raised over £40 million for clients from a wide range of debt, grant and equity sources, many of whom have previously been unable to access finance.

We've also created and executed effective business and market growth strategies for all kinds and sizes of businesses.

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The Group's mission is to support the creation and growth of more than 6,000 companies, who together will contribute more than £1 billion per annum to the British economy by 2020.

Over half this work is delivered on a not-for-profit basis. Bev Hurley C.B.E., the Chief Executive of YTKO Group was awarded the Queen's Award for Enterprise Promotion in 2012.

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