

Business Plan Template

SECTION 1 – PURPOSE

- What's the purpose of writing the business plan?
- How much money are you looking for and for what purpose?
- A brief description of how this investment will make a difference to your business

SECTION 2 – BACKGROUND AND HISTORY

- State the background to the business, when it was formed and why – provide historic financial information (at least last 3 years)
- Highlight successes from the past and why they might be relevant to the future
- Describe current financing arrangements, including shareholders and security given to lenders
- Describe the context of this project/investment in relation to the rest of the business

SECTION 3 – PROJECT

- Describe exactly what your project / venture is going to be. Describing in simple terms exactly what is going to be done and how you're going to do it.
- If there are advantages to your product or service state exactly what they are:
 - o Cheaper?
 - o Better Quality?
 - o Unique Features?
 - o What benefits does it give your customers?
- If there are disadvantages to your product or service state exactly what they are:
 - o Competition
 - o Lifecycle
 - o Government legislation or approval (eg planning permission)
- what is the current status of the project?
- What is the likely profitability of the project?

INCLUDE SALES FORECAST

SECTION 4 – THE TEAM

Investors invest as much in the people as they do the business, so it's important to demonstrate management capability

- who are the team, what is their experience, career history and track record? (CV's to be included in the appendix)
- How much do the team get paid and how are they incentivised?
- What is the organisational structure (organisation chart in the appendix)
- Highlight any weaknesses and what the plans are to address the weaknesses

SECTION 5 – MARKETING

Write this section from the perspective of the customer or end user. Describe how they will purchase it, use it etc so that a prospective investor can recognise immediately the market's need for the product.

If you're quoting that you will achieve x% market share then you must be clear how you calculate that and how you will achieve it.

Describe what your strengths and weaknesses are:

Market

- description of who your customers are, how big the market is and what need your product / service meets
- support with backing documentation of market size and growth potential.

Customers

- who are they?
- where are they ?
- How will you reach them?
- How do they buy?

Competition

- who are they?
- where are they ?
- what is their size and capability?
- What are their strengths and weaknesses
- How will you compete?

Marketing

- What size market will you capture?
- What is your pricing policy and how is it determined?
- How will you promote your products/services?
- Promotional materials – how much will they cost?
- Advertising and promotion – how much are you looking to spend and how will you measure it's effectiveness?

SECTION 6 – PHYSICAL PRODUCTS ONLY

If your product needs manufacturing or assembling, how will this be achieved?

- a brief, step by step, guide to the production process
- where the product will be manufactured
- who will manufacture (self or outsource?)
- quality systems?
- Defects / recycling
- Legal ramifications of manufacture e.g. environmental or waste disposal.

SECTION 7 – THE NUMBERS

Here you will include the financial information to support your business plan

In the appendix you should include a set of the latest audited accounts and management accounts for the last 3 months.

For next 12 months and following 2 years (3 Year Plan) show:

- sales forecasts
- costs
- cash flow
- capital expenditure

You should include a list of the assumptions that you have made and why.

You should ignore inflation

You should highlight what amount of funding is required and when the funding is required and when it's needed.

SECTION 8 – RISKS

Show the risks in the following areas and what you plan to do to overcome them:

- Political
- Economic
- Social
- Technological
- Environmental
- Legal

You should show the risks for each part of your business plan and your opinion as to the likelihood of it's occurrence.

SECTION 9 – TIMESCALES

You should set out the timescales for the major activities to be achieved over the life of the business plan, highlighting any dependencies and additional resources required to achieve the business plan.

APPENDICIES – WHAT TO INCLUDE

- Glossary of terms
- Lists of all assumptions
- Product technical specifications
- Organisation Charts
- CV's of managers
- Market surveys/reports
- Copy of audited accounts
- Last 3 months management accounts
- References

ABOUT THE BIG RED TOMATO COMPANY

The Big Red Tomato Company helps businesses grow. Can we help yours?

We can help you in the following areas with your business plan:

- Advising on format of the plan and it's contents
- Assist with the preparation of the forecasts and sensitivity analysis
- Challenging and reviewing your assumptions
- Producing the plan
- Reviewing the plan

To find out how we can help or arrange an [informal discussion click here](#)