

# **Business plan template - instructions**

This page will take you through the process of using the business plan template, which you can download from our website.

The template asks a number of detailed questions about your business - its markets, costs, etc. You will need to do some research in order to complete the template. This may take some time, but once your business is up and running you'll be very glad you spent time preparing a solid plan.

## **Using the business plan template**

1. To start on your plan, download the template and save it to your computer. Remember also to save it regularly as you work on it.
2. The template uses forms. Use your mouse to click in the grey 'field' boxes and then add your own content. You can also make changes to any other part of the document. It is advisable that you try to keep edits to the titles to a minimum though. This is because our template will give your business plan a clear and recognisable structure. If you decide to edit the titles, remember that they will need to be changed within the contents page at the start of the document as well.
3. The business plan template links to a number of financial tables to help simplify the calculations you'll need to do when you start a business. Financial and descriptive information should be entered in the relevant cells. Each table contains automated formula that will calculate the totals and summaries for you. The formulae within these calculated cells are protected so that you cannot write over them accidentally.
4. Once you have completed the financial tables, save them and return to the rest of the document.

You can save, close or print the document at any time in the normal way. Where a number of sheets are contained within a spreadsheet (accessed by using the tabs at the bottom of the spreadsheet) you will need to click each tab in order - from left to right - and print all sheets individually.

Please note that this business plan template may not follow the same format as one a bank may ask you to complete. However, much of the content required will be similar.

## **Tips for writing your business plan**

Keep your plan short - as it's more likely to be read if it's a manageable length. And write it as if it's aimed at an external audience, even if you only intend to use the plan internally. A carefully written plan will reinforce the positive impression you want to create for your business.

Avoid jargon and put detailed information - eg market research data, SWOT (strengths, weaknesses, opportunities and threats) analysis or balance sheets - in an appendix at the back. If you have detailed plans for specific areas of your business - eg a sales and marketing plan or staff training plan - it's best not to include these but good practice to mention that they exist.

Tailor the plan to suit your specific business - the type of information and level of detail needed in each section will vary according to business type.

It's good to get advice on writing your business plan, but it's not usually wise to have someone else write it for you. Lenders or investors will want to be confident that you are committed to your business plan and that you fully understand its contents.

Most importantly, your business plan must take an objective and honest look at your business and its goals. There's no point in having unrealistic expectations about what can be achieved and when.

## Executive summary

This is an overview of the business you want to start. It's vital. Many lenders and investors will make judgements about your business based on this section alone.

Explain your **business model** in outline - see the **Improve your business** video in our **Learning directory** to find out more about the importance of a business model. Outline how your business will work, in an interesting way, leaving the reader keen to learn more.

A good executive summary is more than just a description of your business and its products or services - use it to summarise the highlights from each section of the rest of your plan. Imagine that you're explaining your ideas to someone who's important to your business, but only has time to read a brief summary.

Avoid hype. While this section should excite the reader enough to read the entire document, exaggerating will undermine your plan's credibility.

This section also includes details like the business name and address, its current legal structure, information about you and your background, as well as information about any other key personnel.

## Vision

The vision section in this template should clearly explain the top level approach to your business and its goals, including how you plan to develop your strategy - ie which products and services you will offer to which markets over the time span covered by your business plan.

Remember that the person reading your plan might not understand your business, products, services or processes as well as you do. So try to avoid jargon. It's a good idea to get someone outside your industry to read this section to check they can understand it.

When summing up your business idea, you can include information like:

- when you intend to start trading
- the type of business and sector
- any relevant history - for example, if you acquired the business, who owned it originally and what they achieved with it

When outlining what your business will do, alongside each product or service you should also list its features (ie characteristics) and their benefits (what customers will gain from those characteristics). For example, if you're selling boots, a feature could be that they're waterproof - with the benefit

being that they keep your feet dry. It's the benefits that persuade customers to buy your products or services.

Explain what makes your business different and why customers would buy from you rather than your competitors. If you hold any patents, trade marks or design registrations outline these too.

You'll also need to list any special legal or insurance obligations that your business will need to meet.

## **Sales and marketing**

This section needs to show you understand the marketplace that you're planning to operate in - including any important trends. Use any market research you've carried out to outline who your customers will be, as well as what you've learnt about your competitors - particularly their strengths and weaknesses. See the **Assess your sales and marketing potential** video in our **Learning directory** for information about how to carry out market research.

You should also give information about any potential changes that could threaten your position within the market and how you'll manage those risks to make them less of a threat.

Finally, in addition to giving details about your product or service, give details of your pricing structure, your plans for promoting your product or service and from where your customers will buy your product or service. Ensure these elements work together coherently to create an attractive proposition for your customers.

## **Running the business**

This section is for you to list what your business will need in terms of staff, premises and equipment (if these are required) - and how much you expect these to cost. Also include details of your key suppliers, what you'll buy from them and their credit terms. Finally, outline what your contingency plans would be if your staff or suppliers were to let you down.

There is a range of modules about running a business in our **Learning directory**. You may find this useful when completing this section of the template.

## **Finance**

This section has a series of financial tables for you to complete which will help you work out:

- your start-up costs
- the minimum income you'll need to cover your personal expenses - ie your personal survival budget
- a profit and loss forecast
- how much money you may need to raise
- a cashflow forecast

There's also space to outline any financial risks - eg sales being lower than forecasted - and how you would minimise the impact of these.

There is a comprehensive range of modules covering financial planning for your business in our **Learning directory**. You may find this useful when completing this section of the template.

### **What to do once your business plan is completed**

Once you've finished drafting your business plan it's a good idea to get at least two people to read it and check it makes sense. You could also show it to an expert adviser such as your accountant. Rewrite any sections that they say are difficult to understand.

Now that you've got a business plan, use it. Remember, this is a living document to help steer your business and to let you monitor your performance. So it will need updating as your business develops and grows.