# 

**An incubated co-working space for technology innovation**

**Team: JSkyfall**

**Table of Contents**

[Team Register i](#_Toc419743730)

[1 What is a business plan? 1](#_Toc419743731)

[2 Importance of a business plan 1](#_Toc419743732)

[3 Types of a business plan 1](#_Toc419743733)

[3.1 Strategic 1](#_Toc419743734)

[3.2 Start-up 2](#_Toc419743735)

[3.3 Internal 2](#_Toc419743736)

[3.4 Feasibility 2](#_Toc419743737)

[3.5 Operations Business Plans 3](#_Toc419743738)

[3.6 Growth 3](#_Toc419743739)

[4 Before writing a business plan 3](#_Toc419743740)

[4.1 Keep it short 3](#_Toc419743741)

[4.2 Use business charts 4](#_Toc419743742)

[4.3 Polish the overall look and feel. 4](#_Toc419743743)

[5 Who needs a business plan and why 4](#_Toc419743744)

[6 Plan your Business Plan 4](#_Toc419743745)

[6.1 Do you intend to use your plan to help you raise money? 5](#_Toc419743746)

[6.2 Do you anticipate showing your plan to suppliers to demonstrate that you're a worthy customer? 5](#_Toc419743747)

[6.3 Do you intend to use your plan to attract talented employees? 5](#_Toc419743748)

[7 Writing Your Business Plan 5](#_Toc419743749)

[7.1.1 Executive summary 5](#_Toc419743750)

[7.1.2 Company overview 6](#_Toc419743751)

[7.1.3 Product or service 6](#_Toc419743752)

[7.1.4 Distribution 7](#_Toc419743753)

[7.1.5 Analysis of competitors 7](#_Toc419743754)

[7.1.6 Risk assessment 7](#_Toc419743755)

[8 Business Plan Tools 7](#_Toc419743756)

[8.1 Benefits of Business Plan Pro 7](#_Toc419743757)

[9 References 9](#_Toc419743758)

# Team Register

|  |  |
| --- | --- |
| **Member Name** | **Role Description** |
| Sifiso Shane Mfeya | 007 |
| Luyolo Makalima | Agent 1 |
| Nande Mayipase | Agent 2 |

# What is a business plan?

A business plan is as the name states, a plan for a business. Tim Berry claims that business planning is about results. Nonetheless various sources define what a business plan is differently, but not necessarily distinctly. A business plan is commonly defined as a formalized document that summarizes all the financial, operational and other objectives of a business. It consists of a detailed plan or plans and budgets that illustrate how the aforementioned objectives are to be realised.

According to a business plan is any plan which permits a business to look ahead, allocate resources, focus on key points, and prepare for problems and opportunities. Through a business plan a business idea can be communicated. It then allows for the employees, suppliers, investors, financial institutions and other stakeholders to also understand the business idea. The key purpose for this communication to happen is so that one can be able to convince stakeholders that the new venture will succeed and therefore it is worthwhile to invest in it.

# Importance of a business plan

The main reason that one needs a business plan is because it is after all a plan. This means that if one has a plan then they have an understanding and to a certain extent an idea of what goals they want to reach, which tasks they want to undertake, which one’s take more priority than others.

# Types of a business plan

There are various types of business plans. According to Alyson Paige, there are six type of business plans, namely:

## Strategic

A strategic business plan provides a detailed map of a company’s goals and how it will achieve them, laying out a foundational plan for the entire company. According to the website, Clean Washington Centre, a strategic business plan includes five elements: business vision, mission statement, definition of critical success factors, strategies for achieving objectives and an implementation schedule. A strategic business plan brings all levels of the business into the big picture, inspiring employees to work together to create a successful culmination to the company’s goals.

## Start-up

A start up business is as one that is created for a start-up business. It may include section like the description of the company, the product or service the business will supply. Also the market evaluations and the projected management team. Moreover it can provide a financial analysis with spreadsheets describing financial areas including, but not limited to, income, profit and cash flow projection

## Internal

Internal business plans target an audience within the business. Write an internal business plan to evaluate a proposed project. Describe the company’s current state, including operational costs and profitability. Calculate if and how the business will repay any capital needed for the project. Provide information about project marketing, hiring and tech costs. Include a market analysis illustrating target demographics, market size and the market’s positive effect on the company income

## Feasibility

A feasibility business plan answers two primary questions about a proposed business venture. According to the University of Colorado Leeds School of Business, feasibility plans attempt to determine who, if anyone, will purchase the service or product a company wants to sell, and if the venture can turn a profit. Feasibility business plans include, but are not limited to, sections describing the need for the product or service, target demographics and required capital. A feasibility plan ends with recommendations for going forward.

## Operations Business Plans

Operations plans are internal plans that consist of elements related to company operations. An operations plan, according to BPlans.com, specifies implementation markers and deadlines for the coming year. The operations plan outlines employees’ responsibilities

## Growth

Growth plans or expansion plans are in-depth descriptions of proposed growth and are written for internal or external purposes. According to BPlans.com, if company growth requires investment, a growth plan may include complete descriptions of the company, its management and officers. The plan must provide all company details to satisfy potential investors. If a growth plan needs no capital, the authors may forego obvious company descriptions, but will include financial sales and expense projections.

# Before writing a business plan

There are various things you must consider before putting together a business plan like how long should it be, who needs a business plan?, when should one develop a business plan, as well as why you need a business plan.

According to Tim Berry a business plan should adopt an "easy to read quickly" format. This means that a business plan must be kept simple, straightforward and short. A few other things that one must refrain from doing when drawing up a business plan is:

* To not use long complicated sentences
* Avoid buzzwords, jargon and acronyms
* Avoid "naked" bullet points

Additionally, Tim Berry advises that when one draws up a business plan, they must:

## Keep it short

Nowadays a business plan is 20 to 30 pages long. That is one is able to convey their plan fully within that 30 pages, with the exception of your graphics blueprints, floor plans, logos and signage photos which are just as important.

## Use business charts

The use of bar charts to show, at a minimum, sales, gross margin, net profits, cash flow and net worth by year is important.

## Polish the overall look and feel.

Polishing the overall look means that ensuring consistency in font style, size, and also ensuring that you make use of spell check. Also, proofreading is gravely important as you may not want to use the correctly spelt words incorrectly.

# Who needs a business plan and why

The only person who doesn’t need a business plan is one who is not going into business. This means that if you intend on starting a business you’ll need a business plan. Mainly start-up companies as well as established businesses seeking help need a business plan. For start-up companies the reason why they would need a business plan is first and foremost. The classic business plan writer is normally an entrepreneur seeking funds to help start a new venture. Through a business plan they are able to convince investors to put up the capital necessary to get them under way. However as aforementioned even already established business that are way past the start-up stage also need a business plan. For these middle-stage enterprises a business plan may be essential in cases where they may need help with funding for growth just as the start-ups do, although the amounts they seek may be larger and the investors more willing. However they may feel the need to have a written plan to help manage an already rapidly growing business. Also a plan may be seen as a valuable tool to be used to convey the mission and prospects of the business to customers, suppliers or others.

# Plan your Business Plan

Planning your business plan includes a number of considerations one must first answer before continuing to draw up a business plan. The essential questions one must be able to answer when drawing up a business plan are:

## Do you intend to use your plan to help you raise money?

If one has the intention of writing up a business plan for the purpose of raising funds, then a close attention and focus on the executive summary must be carefully placed. This is solely because the business owner needs to have a very clear definition of how the company is going to make money. For example if the business owner is aiming at getting a loan from a bank, then a clear projection of how they’ll generate sufficient cash flow to service loans must be created.

## Do you anticipate showing your plan to suppliers to demonstrate that you're a worthy customer?

Through a creation of a solid business plan, the business owner may be able to convince supplier of some precious commodity to favour you over your rivals. Moreover you may also want to place emphasis on your blue-ribbon customer list and spotless record of repaying trade debts in this plan.

## Do you intend to use your plan to attract talented employees?

A business plan created with the purpose of attracting talented customers must should have emphasis placed on things such as stock options and other aspects of compensation. Another form of compensation would be a location, work environment, corporate culture and opportunities for growth and advancement.

# Writing Your Business Plan

This is a step that one takes when they have done all the necessary analysis of what a business plan is, why you need it as well as when. In this section an illustration of the structure of a business plan is defined. However various sources have rather similar structures of a business plan. According to Ryan Himmel, a business plan the following sections:

### Executive summary

An executive summary is as the name states, a summary of a business plan, even though it’s the first part of the business plan, it’s normally written last, after the whole document that the business plan has been written. The structure is usually simple as the executive summary is basically just a single page. Normally it would generally include your business’s name, its location, what product or service you sell and the purpose of your plan. The main sections in an executive summary of a business plan are:

* Financial chart

A bar chart that shows sales, gross margin and profits, all those numbers before taxes and interest, for the next three year.

* Main objectives

These are company goals and objectives that it aims to reach. They are usually accepted in a list or a bullet format

* Mission statement and keys to success

These are what makes your business stand out from your competitor.

### Company overview

Once you've developed your executive summary, you should then lead into a company overview, dealing exactly what the company does, its management team and other key information. Next, you'll want to define the market opportunity. Here you'll need to go into detail explaining how the different segments of the market add up to a total available market opportunity. Statistics and industry research will be critical in this section

### Product or service

After defining the market, you should describe the product or service you will develop to target that market. The product description should be written in such a way that the business model becomes perfectly clear to the reader. They will want to understand how you plan to make money. This will lead into the financial model highlighting growth and expense projections. Many entrepreneurs don't spend enough time identifying how they will effectively use their cash to grow their company. This is why you must have a clear strategy in going to market.

### Distribution

The distribution section should include details on how you plan to acquire customers. Is it through partnerships, online/offline marketing, search engine optimization, direct email, public relations or something else?

### Analysis of competitors

Up to this point, we've focused mainly on the company. However, every business plan needs to include an analysis of the competition. Unless you're creating a new market, most of the time you'll have competition in your space and usually it comes from a large, established company. This section should highlight how your company will gain share and how your product and model can be defended.

### Risk assessment

Lastly, you need to define the company risks. Every company, even Google has risks. You need to understand what they are and have a plan in place to mitigate those risks.

# Business Plan Tools

The most popular business plan tool is Business Plan Pro. For nearly a decade, Business Plan Pro has been the business world’s most popular business plan software (according to NPD Intelect, formerly PC Data), outselling all of its competitors combined, and it is regularly on Amazon’s top 10 list of best-selling business software. Business Plan Pro makes it easy for new and existing small businesses to complete an SBA-approved business plan that is not only suitable for important allies such as banks and vendors, but that can also be used to help manage the evolution of small but growing businesses.

## Benefits of Business Plan Pro

Business Plan Pro is designed to take the guesswork out of business planning. It allows the entrepreneur or business owner to focus on their area of expertise without requiring them to learn a complicated software tool or to become an authority on business planning. Best of all, the end result is a completed, executable business plan that will include the content and design that will earn respect from lenders and other audiences. The Premier Edition includes valuable features such as expanded financials and funding tools designed to provide the information venture capitalists and angel investors appreciate.

# References

Berry, T. (n.d.). *Business Plans: A Step-by-Step Guide*. Retrieved from Entrepreneur: http://www.entrepreneur.com/article/78610

Payge, A. (n.d.). *6 Types of Business Plans*. Retrieved from Small Business: http://smallbusiness.chron.com/6-types-business-plans-2591.html

SEDA. (n.d.). *SEDA*. Retrieved from What is a business plan: http://www.seda.org.za/MyBusiness/Factsheets/Pages/Whatisabusinessplan.aspx