

# How do you Write Business Plan

} Specific document that is used to convince investor or a banker to put resources into the business.

- ⇒ Fundamental reason for creating business plan though, is to follow it to your intended goal.
- ⇒ It does not remain static, it is a living document that is continuously updated as your knowledge of the market grows and the opportunities unfold.
- ⇒ It should be a team effort.

## ★ What should your business plan contain

As a general guide, most business plan document will contain the following core sections:

- Executive summary
- The market
- The product or service
- The management team
- The business operations
- Financial projections
- Financial requirements
- Appendices

- ⇒ The order in which they appear will vary from one business to the next.

## ★ The Market

- ⇒ Define the market section in terms of its size, its performance and characteristics.

→ Customer groups you have identified.

- Scale of the opportunity.
- Describe industry and who are your competition.
  - How will you compete with them.
- What the main barriers of entry are.
- Describe your market approach and strategy.
  - Put evidence of this in the document appendices.

## ★ Product or Service

- ⇒ Describe problem you are solving in plain and clear language.
  - Try not to overhype your description.
- ⇒ Describe your product and how it is solving the problem.
- ⇒ Describe the current state of offering, it may be that you have a prototype.
- ⇒ Emphasise the Unique Selling Point (USP).
- ⇒ Describe your pricing strategy.
  - How much does it cost you to make & deliver.
  - What do you intend to charge for it.
- ⇒ Your approach to future product development can also be described here.

## ★ The Management

- ⇒ This section of the plan is used to convince the reader that you have the right team to convert the plan into a reality.
  - This include description of both board and the executive management team.

Each key member of the team should be introduced in the plan document with a paragraph describing their skills, experience and responsibilities within the company. Try to keep the descriptions concise within the main document but include full CVs in the appendix. An organisational plan is a good way of quickly showing the structure of the management team.

## ★ The business Operations

- ⇒ This section describes how your business will operate.
- ⇒ Describes what certification are required for the product.
- ⇒ Set out the milestone by which you measure the business success.

## ★ The financial projections

(financial model in short)

## ★ The financial requirement

- ⇒ Be careful not to make an explicit offer, you should set out need for your business and the method you propose to satisfy them.
  - Includes description of how much the financing will rely on debt as opposed to equity investment.
  - Whether investment is required in stages or one lump sum.
  - Describe exit strategy.

## ★ The Executive Summary

- ⇒ The Executive summary determines whether most of the document even get read at all.

⇒ It should be short, a maximum of two page, and should include all the Key elements from the other Section of your Plan.

⇒ It should be a stand alone document.

