

**Business Plan Template**

***Please contact us on the contact details below.***

***This document is intended as a starting point only; the Hertfordshire Growth Hub advisory team are happy to work with you to provide help and support around completing your plan.***

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Published: August 2016

Compiled by: HGH

**Business Plan**

**OWNERS**

Your Business Name

Street Address

Address 2

City

County

Postcode

Telephone

E-Mail

Website

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**Executive Summary**

*This section will be a summary of the whole business plan and should be written last.*

* *We suggest you make it two pages or fewer.*
* *Include everything that you would cover in a five minute interview. Make sure to include:*
* *Business name, legal structure & date of establishment;*
* *The nature of your business and the product (goods or services) that you*
* *The Market – details of the target market and information about any market trends i.e. growth patterns, market gaps;*
* *The objectives for your business within the first/or next three years (for example target sales, staff you hope to employ or include an overview of the CV’s of the people you already employ);*
* *Brief financial information – provide an overview of your projections and details of funding or investment requirements.*
* *Make it enthusiastic, professional, viable and concise.*

**People and Operations**

***People***

*In this section you need to show what skills you and your staff/partners possess that will help your business to be successful.*

* *List the key people that will be/are involved in the business and provide a brief description of the skills, experience, qualifications and knowledge that they have (you could always attach relevant CVs in the appendix).*
* *Details of your management team.*
* *Mention whether you are planning on taking on staff and when you will do this.*
* *Consider providing a graphical outline of the structure of the company including numbers of staff and reporting lines.*
* *Also include information of any advisors/mentors e.g. enterprise4northants, accountants, solicitors.*

***Operations***

*This section is about the daily operation of the business, its location, equipment, people, processes and environment.*

* *Include details such as where you will/already operate from;*
* *Home or commercial premises, the type of building;*
* *Rented or leased;*
* *The amount of space that you will require/currently have.*
* *Explain why the choice is appropriate i.e. reduced costs, access to market, ease of access for clients, parking requirements.*
* *Detail what equipment and facilities you will need/already have to operate.*
* *What suppliers will you use (you will have to detail any supplier research under the research section on page 14 so you can refer to it at this point).*
* *Explain how you will/do distribute your product to clients if relevant and explain why this method is most cost effective.*

**Products and Services**

*This section is all about what you will be offering and why people will purchase it from you.*

* *List all of your major products or services.*
* *For each product and service you should:*
* *Describe its most important features. What is special about it?*
* *Describe its benefits. That is, what will the product do for the customer?*
* *Provide how products are made/services are provided*
* *Describe any after-sales service that you will provide.*

*Note the difference between features and benefits and think about them. For example; a feature of a car could be that it has Air Conditioning whilst the benefit would be that the driver is kept cooler in the summertime. Another example could be provision of training workshops; a feature could be specific advice around CV writing and interview techniques whilst the benefit would be that those individuals could then apply for work confidently and professionally. You build features into your products or services so that you can see the benefits.*

*Think about the features of your product/service and the benefits to your customers;*

|  |  |
| --- | --- |
| **Features and Benefits Analysis** | |
| **Feature** | **Benefit** |
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**Costing and Pricing**

*Following on from your products and services section, you also need to describe your costing and pricing strategy;*

*Cost and price are not the same. The cost includes all the resources (both direct and indirect) needed to make a product or deliver a service. The price of the product or service is the amount you charge your customer/the market for providing the product or service.*

*There are two crucial points to consider when setting your price:*

1. *The price and sales levels you need to set to make sure your business is* ***profitable***
2. *How your product or service price compares with the market/your* ***competition***

* *Detail your costs, what does it cost to produce your product or service? (Make sure you take into account both fixed and variable costs).*
* *Explain your pricing strategy and how it fits with what is revealed within your competitor analysis and market research (see the following section). Are your prices lower, higher, the same? Why?*
* *Explain how important your pricing is as a competitive factor; is your target market likely to make purchase decisions based mainly on price or are there other factors?*
* *If you are going to have more than one product or service, you need to consider all of the above for each.*

**Market and Competitor Research**

*Market and competitor research is key to proving the need for your business and demonstrating that it can be/is viable, this section is essential and it is important you provide as much evidence as possible.*

***Market Research;***

* *List the cities, towns, localities in which you wish to/already operate.*
* *Define who you intend to/already sell to.*
* *How many potential customers are there in your target market and what will be/is your share of this market? Back this up with evidence.*
* *Is the market static, declining, growing or seasonal? Why?*
* *Detail any market research information obtained from reference books/internet which provides information on national trends or trade trends for your industry/service.*
* *Include information on any primary research (i.e. questionnaires) that you have carried out to support the viability of your business idea in your chosen area and explain the results.*

***Competitor Research;***

* *Who are your major competitors and where are they based?*
* *What are the strengths and weaknesses of your competitors? Explain why you are better than them.*

*You may find the competitor analysis table on the following page useful for this section.*

**Competitor Analysis Table**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| FACTOR | Our Business | Competitor Name A | Competitor Name B | Competitor Name C | Importance to Customer  (Low – High) |
| Products |  |  |  |  |  |
| Price |  |  |  |  |  |
| Product/ Service Quality |  |  |  |  |  |
| Choice/Range |  |  |  |  |  |
| Customer Service |  |  |  |  |  |
| Reliability |  |  |  |  |  |
| Expertise |  |  |  |  |  |
| Company Reputation  (Professionalism &  Brand Recognition) |  |  |  |  |  |
| Length of time in Business/Experience |  |  |  |  |  |
| Location |  |  |  |  |  |
| Sales Method |  |  |  |  |  |
| Marketing Material incl. Website/brochures |  |  |  |  |  |

*Rank your own business and your 3 main competitors using the scale below to see how you compare. There may be some information that you cannot obtain for your competitors in which case either remove the box or simply leave it blank.*

1. **Very Good; 2 – Good; 3 – Fair; 4- Poor ; 5- Very Poor**

**Supplier Research**

* *Detail who you will/already obtain your supplies from and why you have chosen them.*
* *Explain any terms that have been agreed i.e. discounts negotiated, delivery times, and credit terms.*
* *Detail any alternative suppliers that you could use in the case of any problems with your chosen suppliers and cover the same points.*

**Marketing Plan**

* *Explain how you plan to/already market your business; what message do you want to get across?*
* *What marketing activities will/do you use? Website; leaflets; advertising (e.g. business directories, newspapers, magazines); email marketing; newsletters; social media; partnership marketing; public relations.*
* *On what scale do you intend to/already use these methods?*
* *What budget have you set for Marketing?*
* *Explain the priorities in which you intend to/already carry out each activity; provide details of timescales and costs.*

**SWOT Analysis**

*A SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis will make you consider your business’ market, its competitors, its resources and potential problems.*

*Strengths and weaknesses look at internal and external factors that originate from the organisation itself. A strength could be the skills and experience you and your staff have whilst a weakness could be the quality of the product or service you provide – is it as good as it could be?*

*Opportunities and Threats look at internal and external factors that impact on your business such as market and consumer trends, technological changes and financial issues (i.e., the recession).*

|  |  |
| --- | --- |
| **Strengths**   * *Advantages of proposition?* * *Capabilities?* * *Competitive advantages?* * *USP's (unique selling points)?* * *Resources, Assets, People?* * *Experience, knowledge, data?* * *Financial reserves, likely returns?* * *Marketing - reach, distribution, awareness?* * *Location and geographical?* * *Price, value, quality?* * *Accreditations, qualifications, certifications?* * *Processes, systems, IT, communications?* * *Cultural, attitudinal, behavioural?* * *Management cover, succession?* * *Philosophy and values?* | **Weaknesses**   * *Disadvantages of proposition?* * *Gaps in capabilities?* * *Lack of competitive strength?* * *Reputation, presence and reach?* * *Financials?* * *Own known vulnerabilities?* * *Timescales, deadlines and pressures?* * *Cash flow, start-up cash-drain?* * *Continuity, supply chain robustness?* * *Effects on core activities, distraction?* * *Reliability of data, plan predictability?* * *Morale, commitment, leadership?* * *Accreditations, etc?* * *Processes and systems, etc?* * *Management cover, succession?* |
| **Opportunities**   * *Market developments?* * *Competitors' vulnerabilities?* * *Industry or lifestyle trends?* * *Technology development and innovation?* * *Global influences?* * *Niche target markets?* * *Geographical, export, import?* * *New USP's?* * *Tactics: eg, surprise, major contracts?* * *Business and product development?* * *Information and research?* * *Partnerships, agencies, distribution?* * *Volumes, production, economies?* * *Seasonal, weather, fashion influences?* | **Threats**   * *Political effects?* * *Legislative effects?* * *Environmental effects?* * *IT developments?* * *Competitor intentions - various?* * *Market demand?* * *New technologies, services, ideas?* * *Vital contracts and partners?* * *Obstacles faced?* * *Insurmountable weaknesses?* * *Loss of key staff?* * *Sustainable financial backing?* * *Economy - home, abroad?* * *Seasonality, weather effects?* |

**PEST Analysis**

*A PEST (Political, Economical, Social and Technological) analysis will confirm that you have looked at the bigger picture whilst conducting your SWOT analysis and writing your business plan. A PEST will include factors such as changes in legislation, changes in interest rates, changing attitudes and lifestyles and growing use of the internet.*

|  |  |
| --- | --- |
| **Political**   * *ecological/environmental issues* * *current legislation home market* * *future legislation* * *European/international legislation* * *regulatory bodies and processes* * *government policies* * *government term and change* * *trading policies* * *funding, grants and initiatives* * *home market lobbying/pressure groups* * *international pressure groups* * *wars and conflict* | **Economic**   * *home economy situation* * *home economy trends* * *overseas economies and trends* * *general taxation issues* * *taxation specific to product/services* * *seasonality/weather issues* * *market and trade cycles* * *specific industry factors* * *market routes and distribution trends* * *customer/end-user drivers* * *interest and exchange rates* * *international trade/monetary issues* |
| **Social**   * *lifestyle trends* * *demographics* * *consumer attitudes and opinions* * *media views* * *law changes affecting social factors* * *brand, company, technology image* * *consumer buying patterns* * *fashion and role models* * *major events and influences* * *buying access and trends* * *ethnic/religious factors* * *advertising and publicity* * *ethical issues* | **Technological**   * *competing technology development* * *research funding* * *associated/dependent technologies* * *replacement technology/solutions* * *maturity of technology* * *manufacturing maturity and capacity* * *information and communications* * *consumer buying mechanisms/technology* * *technology legislation* * *innovation potential* * *technology access, licensing, patents* * *intellectual property issues* * *global communications* |

**Key Risk Areas**

*You need to show that you have considered any risks that your business may face and how you may be able to overcome them by way of a risk analysis. This is important in any event however when tendering for a contract it is more than likely that the tendering organisation will want to see your risk analysis to ensure that you won’t let them down with product or service delivery:*

* *Describe what you consider to be the ‘key’ risks to the business i.e. service or product delivery, premises, income generation, suppliers, economic climate.....*
* *Describe the contingency plans that you have in place to address these ‘key’ risk areas.*

**Financial Requirements**

* *You will need to provide financial information for the first 3 years and, if you are already trading, provide historical financial information too.*
* *If you need to raise finance then clearly detail what funding you need and exactly how it will be used: i.e. £800 – office computer; £2000 – development of website.*
* *State what money you will/ have contributed and details of any other funding that you have already secured and what that will be used for it.*
* *Detail any other sources that you may be approaching for funding ( grants/loans)*
* *If you are applying to for loan funding explain how you will be able to repay the loan.*

**Financial Projections & Explanations**

* *The financial projections in your plan are extremely important as they translate what you have said about your business into numbers and figures. However, it is also important that you* ***explain*** *how you have reached them.*
* *As a minimum you should be including a 3 year cash flow forecast and sales forecast (see below). For more sophisticated businesses, you may also want to include a profit and loss forecast and a break even analysis.*
* ***You should have also been sent an excel attachment which includes a cash flow forecast and income & expenditure templates. Please call Hertfordshire Growth Hub on 01707 398168 to request them if you have not already received them.***

**Cash flow Forecasts**

*Cash flow forecasts can help you identify any gaps in your cash flow (money that comes into your business = income; and out of the business = expenditure), thus enabling you to know where the cash shortfall is at any given time. A basic cash flow forecast should include:*

* *Receipts – any money that is due in within that period (i.e. income).*
* *Payments – all payments made by the business and when you expect to make them (i.e. wages, payments to suppliers)*
* *The net cash flow – total receipts less total payments due.*

**Sales forecast**

*A sales forecast is essential; it should be a month-by-month forecast of the sales you expect to achieve. When calculating these figures make sure you take into account any seasonal trends you may encounter, for example if you are selling ice creams you would expect to see lower sales volumes in December compared to those in June. As a new business with no experience to base these figures on you should use your market research to help you estimate your sales volumes.*

**Profit and loss forecast**

*An income and expenditure forecast is a statement of how you expect the business to perform over a given period, taking into account the profit that you would expect to achieve (in relation to your expected income) and the costs of providing your product or service.*

**Breakeven Analysis**

*A breakeven analysis predicts the income volume, at a given price, required to cover total costs. In other words, it’s the sales level that is the dividing line between operating at a loss and operating at a profit.*

*Expressed as a formula, break even is:*

|  |  |
| --- | --- |
| *Breakeven Sales =* | *Fixed Costs* |
| *1- Variable Costs* |

**Appendix**

*Support your business plan with evidence of the elements and activities you have mentioned in the plan. It is* ***essential*** *that you include your* ***financial projections*** *but you may also want to consider attaching:*

* *CV’s for yourself and other members of you Management Team*
* *An organisational structure (people and responsibilities)*
* *The market research that you have carried out e.g. questionnaires and any analysis that you have carried out on the results.*
* *Any other supporting material that you feel is relevant.*

**Disclaimer**

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