



BUSINESS PLAN TEMPLATE

FULL TIME FOCUS.
PART TIME COST

Writing a Business Plan

Your desk is covered with pieces of information that you want to put into your business plan. You know what you want to get out of it – a structured, measured foundation for your new business, but you spend the next fifteen minutes staring out the window, unable to get going.

You're not alone. Most people experience some form of writer's block when faced with a particularly important or large-scale job.

Why? Most researchers who study the act of writing currently believe that many of our writing problems are caused by our approach. They say that all writers - whether they are conscious of it or not - go through a five-stage process when they write: prewriting, writing, revising, editing, and proofreading. The majority of writing problems are caused, the researchers say, when the writer tries to do all of the steps at once. Let's take a closer look at each of these steps:

Prewriting

This is the stage where you decide what you're going to say. You may write or review your notes, assemble facts, organise your thoughts, establish your goals, or draft an outline. The more you have to say, the more important this stage is. Generally, the more time you spend here, the less time you will spend revising.

Writing

After you know in broad terms what you need to say, you can start saying it. This is the stage where you just get it down. Resist the temptation to try to say everything perfectly. Don't correct grammar or punctuation. Don't stop after every sentence to critique yourself. Just keep going.

Revising

When you're done, you can start revising for clarity. Rework your sentences until you are sure that your reader will understand them.

Then, take a break from the project. At the very least, return a phone call or stand up and stretch. The next stage will require you to switch gears dramatically, and it will be much easier if you approach it from a fresh perspective.

Editing

This is the most crucial - and most difficult- stage of the writing process. At this point, you should take a very objective look at your business plan and ask yourself:

- Does it do what it should do?
- Is it convincing?
- Do I need to include more information? Less?
Have I supported all of my most importance statements?
- Is it well organised?
- Is it readable?
- Is the tone appropriate? Is the style appropriate?

Proofreading

All that is left to do now is to look for typographical errors, minor grammatical errors, and to make sure that the business plan is spaced correctly on the page. It helps if someone else can take a look. Keep in mind that minor errors could undermine the whole business plan.

Business Plan Outline

Contents

This plan has the following sections:

1. Executive Summary
2. Background
 - 2.1 Mission Statement
 - 2.2 Company History
 - 2.3 Business Goals
3. Marketing
 - 3.1 Market Research Conducted
 - 3.2 Market Analysis
 - 3.3 Target Customers Markets
 - 3.4 Products/Services Offered
 - 3.5 Promotions and Advertising
 - 3.6 Pricing Policy
 - 3.7 Packaging & Branding
 - 3.8 Placement & Distribution
 - 3.9 Evaluation of Marketing
4. Operations Details
 - 4.1 Legal & Licensing Requirements
 - 4.2 Management
 - 4.3 Organisational Structure & Staffing
 - 4.4 Professional Advisers
 - 4.5 Insurance & Security Needs
 - 4.6 Premises
 - 4.7 Equipment Required
 - 4.8 Production Processes
 - 4.9 Critical Risks & Contingency Plans
5. Financial Projections
 - 5.1 Basic Assumptions
 - 5.2 Estimated Cash Flow
 - 5.3 Budgeted Profit and Loss Statement
 - 5.4 Forecast Sales Mix
 - 5.5 Personal Assets and Liabilities
 - 5.6 Personal Expenses
 - 5.7 Estimated Start Up Finance Required
6. Time frame for Business Plan Implementation
7. Appendices

- Explain all details clearly and fully
- Answer all sections if possible
- Check to make sure your information is accurate and understandable



SECTION 1: Business Plan Summary / Executive Summary

This section of the business plan is a summary of the entire business plan and should be completed after you have completed all the other sections. This is the doorway to the entire plan. You know what they say about first impressions-they last. This summary is your first impression-make it right.

1.1 Business Idea & Goals

What is the name of the business, and what product or service you are selling? Provide an overview of your business project, what it is, and what you intend to sell.

What are the goals of your project? Where do you expect to be in a year's time, and in two years time?

1.2 Business Owners

Provide the full names of the business owners, their addresses, and relevant phone numbers.

1.3 Marketing

How will the product or service be sold? What will be the main target markets (customer groups), and how will it be promoted?

1.4 Operations

What is the legal structure of the business? Where will it be based, and how will it be managed?

1.5 Finance

What profit do you expect the business to make by the end of the business plan time period? What finance is required, and what will it be used for? Where will it be obtained from, and what will be the repayments?

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Section 2: Background

2.1 Mission Statement

What is the philosophy and overall vision that you have for the business?

2.2 Background History

If the plan is for an existing business, explain how long it has existed for, what products or services it has already sold, and its success to date.

2.3 Business Goals

What are the goals of this business? It is preferable to give both short-term goals (those for the next 12 months), as well as for the long term (ie. the next two or three years). Provide some specific, measurable targets (such as net profit desired, number of staff employed, product range offered, market share to be held, etc).

Remember your goals should be SMART - Specific, Measurable, Achievable, Realistic and include a Timeframe.

Section 3: Marketing

3.1 Market Research

In this section, simply state what research you have conducted to prepare this business plan. List the different sources you have consulted. These can usually be broken down into primary research sources (such as interviews, surveys, etc), and secondary sources (which is existing information from books, government bodies, industry associates, etc). You may like to attach the results of any surveys in the appendix. Ask the Stirling BEC for their excellent handout Market Research.

3.2 Market Analysis

What is the result of your research? Make sure you especially address the following issues:

(i) Industry Analysis

What are the characteristics of the industry in which you operate? What is the current state of the industry, and what are the likely prospects for future growth? Are there any local, statewide, national, and/or international trends that could affect your business? You can obtain this information from IBIS reports, industry associates, industry journals, the ABS, your local library or even from suppliers.

(ii) Seasonality

Are sales in your industry likely to be affected by changes at different times of the year?

(iii) Competitors

How many competitors are there in your industry? Who are the main players? You may wish to provide more specific details about them, such as: where they are located, what they sell, what prices they charge, how long have they been in the industry, their after-sales service, staffing, and customer's views of them.

(iv) Potential Strategic Alliances

Are there businesses in your industry, or a related one, that you could "team up" with to provide joint services, to share extra work, or to cross-refer customers to?

(v) SWOT Analysis

What are the strengths, weaknesses, opportunities and threats to your business?

3.3 Target Markets

Who are the main groups of customers for your product/service? Describe the main characteristics of each customer group (such as their age, sex, income level, locality, and/or family structure, etc.), their motives for buying this product, and the likely number of purchasers in each group. List them in order of preference.

3.4 Products or Services Offered

(i) Main Products/Services

Describe or list the main product(s) and/or service(s) to be sold by the business. If any items are not ready to sell immediately, give an estimate of the time and cost still required until it will be.

(ii) Possible Alternative Product/Services

Are there any other goods your business could sell, if sales decline or the business intends to grow?

(iii) Competitive Advantage

Why will customers buy from you, and not your competitors? Explain the benefits that customers will get by purchasing from your business.

3.5 Promotions & Advertising

List the different methods you intend to use to promote your product or service, when it will take place, who is responsible for preparing it, and the cost of each method. It is preferable to map out your advertising and promotions for the course of the whole year.

3.6 Pricing Policy

What prices will you charge? Does this policy equal your competitors ("the going rate"), is it cheaper ("undercutting"), or is it more expensive? Will there be any discounts for bulk purchases or special customer groups? Will you offer credit terms to any clients?

3.7 Packaging & Branding Product

If you are making a product, how will it be packaged? If you are selling a product(s) under a different name to your business name, provide details.

3.8 Placement - Transport & Distribution of Product

How will you distribute your goods to your customers? What costs will be involved?

3.9 Evaluation of Marketing

How do you intend to evaluate the effectiveness of your marketing strategy, and when?

Section 4: Operations

4.1 Legal and Licensing Requirements

(i) Business Name

What is your intended business name (if any)? Has it been registered, or when will it be?

(ii) Legal Structure

State if the business will operate as a sole proprietorship, partnership, company or trust.

(iii) Operating Laws & Licenses

What state, federal and Council licenses & regulations have to be met?

4.2 Management Details

For all owners of the business, provide:

(i) Personal Details

The owner's full name, residential address, phone number, sex, date of birth.

(ii) Qualifications and Special Skills

What special abilities, qualifications or skills does the person have that can help them operate this business successfully? Also list any gaps in management ability and a strategy to address this issue.

(iii) Job History

What work has the person previously undertaken, and when?

(iv) Personal Referees

List name, address, occupation and telephone numbers of 2 personal and 2 business referees.

(v) Reason for Operating the Business

What is each proprietor's personal motivation for being involved in the business?

(vi) Other relevant financial information

Is there any other information about the proprietor(s) that could be important? Do the proprietor(s) have any outstanding loans, guaranties, or other financial exposure? Have they ever been bankrupt, or charged with an offence that could affect their ability to operate the business?

4.3 Organisational Structure & Staffing

Who will do what jobs in the business? If there will be more than just one owner/operator, who else will be employed? What skills/qualifications do they need? How will you recruit staff, and what rate of pay will you provide? What further training will staff need?

4.4 Professional Advisers

Provide the names and contact details of all the outside business and technical advisers the business expects to use. This may include the accountant, bank manager, insurance broker, solicitor, etc.

4.5 Insurance & Security Issues

What insurance will be required for the business, and how much will it cost? Is there any special security precautions that needs to be considered for the business's property and equipment?

4.6 Business Premises

(i) Location

Where will the business be based? How accessible is this to your customers, and how convenient is your premises to local roads and transportation services?

(ii) Lease Details

What rent, lease period, payments, and conditions apply?

(iii) Facilities

What special facilities are required for your premises (ie. does it need a certain building size, specialised customer access, special lighting, air-conditioning, restrooms, etc)?

4.7 Plant and Equipment Required

What equipment is required for your business? Provide a list of your likely needs, and (if necessary) the type and make required, cost, life expectancy, running costs, and maintenance requirements.

4.8 Production Processes

Briefly explain how the product is made. If you need any raw materials, explain how it is obtained, the costs, its availability throughout the year, suppliers, and security of supply. If significant waste is generated, explain how it will be disposed of.

4.9 Critical Risks & Contingency Plan

Describe the key issues that could damage your business, and what plans you have to deal with them.

Section 5: Financial Projections

5.1 Basic Assumptions

5.2 Projections (Profit & Loss and Cash flow)

Business Start Check List

- 1) **DEVELOP BUSINESS PLAN AND CHECK BUSINESS LIABILITY.....**

- 2) **DECIDE ON APPROPRIATE TRADING ENTITY**
 - (a) **SOLE TRADER**

Contact- Accountant

For advice on - Registration Australian Business Number (ABN)
Registration for GST
Taxation (including PAYG)

 - (b) **PARTNERSHIP**

Contact - Accountant

For advice on - Partnership Agreement
Registration Australian Business Number (ABN)
GST Registration
Taxation (including PAYG)

 - (c) **COMPANY or TRUST.....**

Contact - Accountant

For advice on - Companies Registration
Registration Australian Business Number (ABN)
GST Registration
Taxation

 - (d) **IF YOU INTEND TO EMPLOY STAFF.....**

Ask your Accountant about;

FBT
Register as a Group Employer
Superannuation Guarantee Scheme
Insurance agreements

- 3) **REGISTER BUSINESS NAME.....**

Contact - Australian Securities and Investment Commission

- 4) **OBTAIN APPROPRIATE INSURANCE COVER.....**

Contact- Insurance Broker or Company

For advice on- Public Liability
Workers Compensation
Personal Sickness & Accident
Business Assets Cover
Ask about other relevant cover

5) **OBTAIN COUNCIL OR SHIRE PERMISSION.....**□

Contact- Shire Health and Building Department
For- Permission to operate business from premises
 Permission to operate business from home
 Any outstanding health or building orders
 Relevant Zoning or planned changes

6) **OBTAIN RELEVANT LICENCES OR PERMITS.....**□

Contact- SBDC Business Licence Centre
For- Application for necessary licences

7) **OPEN A BUSINESS BANK ACCOUNT.....**□

Contact- Bank
To- Open Trading Account in Business Name
(You will need Certificate of Business Name Registration)

8) **SET UP A PROPER RECORD KEEPING SYSTEM.....**□

Contact- Accountant or Bookkeeping Service
For advice to- Develop and keep an effective Record Keeping System

9) **CHECK SPECIFIC INDUSTRY AWARDS AND CONDITIONS.....**□

Contact- Industry Association or Authorities
For advice on- Membership
 Award information
 Specific Industry Conditions
 Industry Trends and Information

10) **UPDATE YOUR PERSONAL AFFAIRS.....**□

As much as we don't want to think about it, your business could well be a liability to those left behind, if you were unfortunate to pass away or be incapacitated.

Update or take out a will
 Review or take out Life Insurance
 Investigate Disability Insurance
 Establish a Succession Plan

10 Basic Steps to Starting a Business

1. Be Patient!

Take your time. The worst run businesses - and those that are more likely to fail - are those that are developed as a spur of the moment project. Don't rush your business and plan everything before you actually go out and start

2. Conduct a Self Assessment of Your Own Goals & Abilities

If you are going to be running your own business for the next few years, you don't want to do something you hate, don't understand, or aren't capable of doing properly. Work out your own strengths and weaknesses, what your experience is in up until now, and what you would like to do. And set your own goals (ie. 'to run this business as a one-personal operation for the next five years', or 'to make \$XXX a year') - so that you now where you should be heading.

3. Buy, Start-Up or Franchise?

Before creating a business from scratch, investigate the other options also available to you. For example, buying a business is usually more expensive to begin with, but can provide established premises, equipment and customers. On the other hand, franchising is an alternative form where a company will sell you established products, operating methods, and cut out much of the legwork involved in starting up. Consider these options and ask your advisers if they are better suited to you.

4. Market Research

Before you begin, you need to know whether there really is a demand for your service, that your product is right, and that there is room for a new business in the market. You will need to thoroughly examine your competition, study the industry, and collect as much information as possible about your customers, product, pricing, industry trends, and production/delivery processes. Take time to collect impartial and accurate information, not just feedback from family friends.

5. Check the Statutory Requirements

There are a wide variety of laws that cover small business in Australia, and it is your responsibility to ensure that you comply with them. You should contact the Small Business Development Corporation's Business Licence Centre to see what state and federal licences apply to you. This information is also available on the Internet. In three quick and easy steps you can see what licences apply to you and your business - www.licence.sbdc.com.au. The Licence Centre can also help you lodge a business name registration, which is essential. Check with your local Council to see if they also have any by-laws affecting your business idea. These can relate to the type of proposed premises, zoning use, annual fees, and advertising restrictions.

You will also need to adopt a legal structure for your business. This can be as a sole trader (where you have all rights and liabilities), a partnership (where profits and responsibilities are shared), or a company (a more complex legal structure that owns the business and takes responsibility for it).

Don't forget insurance. Some aspects are compulsory (such as worker's compensation if you employ people, and third-party motor vehicle), whilst others are just good common sense (such as equipment insurance, personal accident and illness cover, and public liability).

If you employ any people, you will also have special legal obligations. These include an appropriate employment contract or award, taking out worker's compensation, occupational health and safety rules, keeping a wages book, and so forth.

6. Locate Suitable Premises

You will need to have a business address. If this is at home, check that it's a suitable venue (for example, is there enough room, desks and chairs? Will the Council allow you to operate there?) If you intend to rent a building, proceed carefully. Make sure the premises are in a good location; suitable to your needs, and that you understand the lease thoroughly before you sign it.

7. Plan Your Marketing

How do you plan to advertise your business? Sit down and work out the target audience (who really buys your goods), where they are, and what is the best media form to reach them. Then work out how much this will cost, how long you will use the advertising, and what message you will put in it.

8. Work Out Your Sums

You will need to know the following financial projections before you start:

- How much money is required to start (for equipment & stock purchases, advertising, wages, insurance, leases, cars and other issues)
- How much money you will need to borrow, and whether or not you will be able to obtain that money (either from funds you already have, or through a financial institution). If you can't then you may have to reconsider your plans.
- What your projected cash flow is for the next year.
- The projected profit & loss for the whole year (this will show you if your business is viable).

You will also need to open a business bank account to keep your money in, and to establish a bookkeeping system (preferably in consultation with an accountant) for taxation and management purposes.

9. Use Professional Advice

It is essential that you employ competent professionals who have specialist advice in key areas. These should include a solicitor (for any lease arrangements, contracts of sale, or other legally binding arrangements), and an accountant (for financial projections, record keeping, compliance with tax laws, and preparation of your tax returns etc.).

10. Prepare a Business Plan

This is a document that should tie all your work in the above areas together, lay out your plans for the future, and act as a blueprint for the future. A good business plan will show whether your idea is viable or not. It will also enable other people to give you useful feedback on the viability (or otherwise) of your project, and help financiers work out whether or not they will loan you any needed money.

Good Luck!