



WRITING YOUR PLAN FOR YOUR NEW BUSINESS VENTURE

A Business Plan will help you map out your business idea, assess its viability, and form the basis of an action plan during your start-up phase.

The best business plans aren't long and complex: they explain only the most important information, such as what you want to achieve, how you will get there and the things you need to do along the way.

This template can be used for your business plan. The contents and notes are what would be expected in a plan. However they should be altered to suit your own requirements. Your LECT adviser/ mentor can help guide you through the process.

Before completing the document, you will need to have done some research into competitor activity, pricing, the market for your services/products, etc. Any evidence collected can be added to the plan as an appendix.

As you complete each section of the plan, delete the notes in blue.

Good Luck!

The LECT Team

Business Plan

(insert name of business)

Date (month and year)

Section 1 Management Summary

This is a summary of the plan and is better left to last

Section 2 Background of the business owner(s)

Give a short personal and business background, showing areas that are relevant to your proposed business, including skills and experience that will be used in the business. Include things that you need to learn to ensure you can run your business well. How will you learn the new skills? When do you plan to learn them? Attach your CV if applicable.

- Why do you want to run your own business?
- Previous work experiences:
- Qualifications and education:
- What knowledge/experience do you have of the industry you propose to work in and what training have you completed?
- Details of future training courses you want to complete
- Consider a SWOT (strengths, weaknesses, opportunities, threats) analysis
- Any additional information:

Section 3 Product or Service offered

- Give a detailed description of your business or service (not too technical).
- Use Bullet Points
- Include Pictures if relevant

Section 4 Your Customer/Target Market

Who are your target customers? How many are there? Why should anyone want to buy what you provide? What is your evidence for this and what market research has been carried out? Are there enough customers for your business to be viable?

- Describe your typical customer in detail:
- Where are your customers based?
- What prompts or motivates your customers to buy your product/service? Market Research

Provide evidence and detailed findings of your market research.

Give facts rather than “your interpretation”. Be objective.

You could use any of the following to help with your research:

- questionnaires – provide a copy of any used.
 - Test trading
 - Word-of-mouth
 - Additional information
 - Internet / Yellow pages / Trade Contacts / Surveys
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- Is there a demand for your service or product
 - big is the market/demand
 - Current trends up or down – detail what you found this out.
 - Any important facts, statistics or even whether the market is seasonal or dependent on other external factors like the weather
 - Your own knowledge or past work experience

If you are interested in or want to research statistics good places to find information are:
www.upmystreet.com www.businesslink.gov.uk www.statistics.gov.uk www.direct.gov

- What factors help your customers choose which business to buy from?
- Have you sold products/services to customers already?

Section 5 Competition

- Who are your competitors and how many are there?
 - Direct Competitors – those selling the same or similar products/services.
ie. If you are a coffee shop, then other coffee shops, cafes etc
 - Indirect Competitors – those selling alternative products/services
If you are a coffee shop then any other business providing food/drink
- Why should anyone want to buy from you and not from your competitors?
- What is your USP (Unique Selling Point) – Why are you different?

What will your customers look for when buying from you or your competitors

Section 6 Marketing and Promotion

- What information/facts are you going to tell potential customers about your product/service to encourage them to buy from you?
- What are the features of what you sell?
- What is the benefit to your customers?
- What methods are you going to use to reach your potential customers?
- Why did you select these methods and how will you measure the success or failure of your marketing?
- What offers and promotions are you going to use under each category:-
 - Attracting new customers
 - Building loyalty/retaining customers
 - Encouraging each customer to spend more

Section 7 Pricing and Costing

- How have you arrived at your selling price?
- What is the cost to you of producing this product/service?
- What are your competitors charging?

Section 8 Sales Forecast

- What value of sales do you expect to make each month in the first year?
- It is unlikely that your sales will be the same in every month of the year so show your monthly sales estimates.
- Show how you have calculated these and explain (in words) how you have arrived at the monthly values. For example, have you considered seasonality and other reasons why customers might spend more or less money with you in different months?
- Give a summary of how confident you are at achieving the forecasted sales.

Section 9 Admin & Legal Requirements

- What paperwork do you need to put in place before you start trading: terms and conditions, enquiry forms, quote forms, invoices, receipts etc?
- How are you going to keep control of all your business information, on computer or manually?
- What information are you going to collect: customer details, employee details, stock, financial information?
- How will you keep your financial records?
- What legal aspects do you need to consider? Examples are:-
 - Supply of Goods Act
 - Health & Safety
 - Food Hygiene/Safety
 - Local Council permission
 - Copyright/patents etc
 - Distant Selling Regulations
 - Data Protection

- What types of insurance do you require? Examples are:-
 - Public Liability
 - Professional Indemnity
 - Employers Liability
 - Contract dispute
 - Income protection and Critical Illness
 - Life Cover
 - Stock/business asset cover
 - Advising your mortgage company/landlord

Section 10 **Start-up Costs**

- List all costs incurred at start-up including equipment already purchased for use in the business, explain how you will fund this.
- Also include how much money you may be planning to borrow

ITEM	DETAILS	COST (£)
Premises:		
Equipment:		
Transport:		
Materials/Stock:		
Utilities/Payments up front:		
Marketing:		
Other:		
TOTAL COSTS		£
Less Funds Injected/ items already paid for		£
LOAN Required		£

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Section 11 Personal Survival Budget

Section		Monthly cost (£)
A Costs	Mortgage/rent	
	Council tax	
	Gas, electricity and oil	
	Water rates	
	All personal and property insurances	
	Clothing	
	Food and housekeeping	
	Telephone	
	Hire charges (TV, DVD etc.)	
	Subscriptions (clubs, magazines etc.)	
	Entertainment (meals and drinks)	
	Car tax, insurance, service and maintenance,	
	Presents (Christmas/ birthdays etc)	
	Children's expenditure and presents	
	Credit card, loan and other personal debt	
	Holidays, outings etc	
	National Insurance	
	Other	
B	Total costs (£)	
C Income	Income from family/partner	
	Part time job	
	Working tax credit	
	Child benefits	
	Other benefits	
	Other	
D	Total income (£)	
E (B less D)	Total survival income required (£)	

Appendices: Profit and Loss and Cash Flow

- COMPLETE the attached Profit & Loss Forecast for your first 12 months of trading.

- Provide details of any credit received from suppliers or credit given to customers ie delayed payments.
- COMPLETE the attached Cash Flow Forecast for your first 12 months of trading