

Business Planning

There are many reasons why a business should document its plans. We provide you with a business planning template and cash flow template.

Most people who are just starting a business can be overwhelmed with the idea of documenting their business plans and financials, however, if you seek good business advice in the early days, much of the stress of business planning can be reduced, as an advisor will help a young and evolving business through this journey.

1. Why do I need a business plan?
2. Basic elements of a business plan

Why Do I Need a Business Plan?

A robust business plan will help you in several important ways as you undertake your business journey:

- As mentioned above, it will provide you with a roadmap to follow, helping you set business strategy and major objectives that reflect business priorities
- Your plan is a baseline for you to follow and hold yourself accountable. This is particularly important in the early stages where there may only be you in the business
- The plan should be a logical description of your business model and how you intend to earn revenue and grow. Your financial and customer acquisition goals can be measured against the plan to determine whether they need to change or not
- It will help you attract finance to the business whether from a bank, other lender or investors
- If you intend to hire staff, the business plan is a great document for helping them to understand the business and how it operates in the market
- You and any potential strategic partners can see how your business might fit with theirs

Planning is simply answering the following questions in advance:

- What outcomes do I want?
- What needs to be done?
- When does it need to be done?
- How will it be done?
- What resources will be used?
- Who will do it?

In other words, planning is an aid in making important decisions that will decide how successful your business will be. The better you plan, the greater your chance of success. Remember: “Failure to plan is planning to fail”.

Basic elements of the business plan

The best business plans are tight and concise, with the focus on what the business is trying to achieve and how it will go about achieving it.

The Executive Summary

It should begin with a brief vision statement and description of why the business exists, whom it serves and how. Include a brief summary of the market opportunity and why your business/idea is different and likely to succeed.

Business Overview

More detail of why you have started the business, the business model – how will customers access you and how will you seek to reach them. Briefly touch on products and basic customer details – who is the ideal customer?

Product/service overview:

This section includes more specific details of your products or services, including pricing. Include any relevant images and use a table if necessary.

Market Analysis

Include the following:

- Industry/market overview
- How big, how much growth per annum?
- Trends
- Customer profiles
- Competitive advantage

Competition

Include descriptions of your nearest competitors and how you may be able to exploit any weaknesses that they may have.

Marketing Strategy

Include an outline of the following:

- Channels – how people know about you and how you deliver/reach your market
- Online vs. face to face, telephone, social media, etc.
- Key relationships/Bloggers/influencers/intermediaries etc.

Do a SWOT (strengths, weaknesses, opportunities, threats) analysis and summarise:

- How you will leverage strengths
- How you will take advantage of opportunities
- How you will overcome weaknesses
- How you will minimize threats

Business structure compliance and ownership

Include details of owners, compliance certificates and registrations needed, including insurances.

Financials

Prepare at least 2 years of financial projections to model your cash flow. This should include startup costs, ongoing expenses and revenue from all sources.