Business plan guide



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# Executive Summary

#### *Guidance Notes:*

*You write this section last, summarising each of the main sections of the business plan. The summary helps readers quickly understand what your business plan is about, makes them feel that you know what you are doing, and encourages them to read the whole plan.*

* *Explain your business and what it does*
* *Outline your target market and how you stand out from the competition*
* *Explain how you market your business and make sales*
* *Describe the key people in your business*
* *Identify any key practical issues*
* *Present your financial forecasts*
* *Summarise what financing you need*

# Business Overview

#### *Guidance Notes:*

*This section helps readers understand what your business does and the industry it operates in. It explains what is special about your business and what your plans are. This section gives readers confidence that you understand your industry and know what you are doing.*

*Explain the background to your business. When was it set up (or when did you start developing the business idea)? What does the business do? What are your products or services?*

*Explain the key features of the industry you operate in. Why is there an opportunity for your business? Outline what you have achieved so far, either as a trading business or in terms of developing your idea. What is special about your business that will make it succeed?*

*Explain your plans for the future. What will any financing you raise allow you to do?*

*Address any particular risks, threats or weaknesses you face. Explain how you will deal with them.*

# Markets and Competition

#### *Guidance Notes:*

*This section demonstrates that you understand who your customers are and what they want. It shows that you recognise the competition and what they offer and that there are good reasons for customers to buy from you instead.*

## Target Markets

*Explain who your target customers are. What are their main characteristics, how many are there, what are the key market trends? Give details of any existing customers or interest expressed by potential customers.*

*If you are targeting more than one group of customers, explain each market segment separately.*

## Competition

*Explain who your competitors are. What are the key features of what they offer, and what are their advantages and disadvantages? Why will your target customers buy from you instead?*

To make what you say convincing, you may need to include more details and evidence in an appendix to the business plan. For example, this might include market research you have carried out, testimonials from existing or potential customers, and a detailed analysis of each of your main competitors.

# Sales and Marketing

#### *Guidance Notes:*

*This section shows how you will reach customers — how you attract their attention and how you make sales.*

## Product Positioning

*Explain how your offer compares with the competition, for example in terms of price, quality and service — and how this fits with what your customers need/want.*

## Marketing

*Explain how you will promote your business — for example, through advertising, direct mail or online. How can you be sure that your promotions will reach your target customers and convince them to act?*

## Sales

*Explain what you will do in terms of actively selling — for example, phoning or meeting customers. How will you identify the right customers to call? How difficult will it be to convince new customers and how long will it take? Do you have any existing customers or hot prospects, and will you get repeat sales?*

# Management

#### *Guidance Notes:*

*This section convinces the reader that you have the right team to make your business a success.*

## Key Personnel

*Give details of each key individual in the business. What are their responsibilities, what skills and experience do they have?*

*Demonstrate how committed you are to the business. How much have key individuals personally invested in the business?*

## Advisors and support services

*Describe any external advisers: for example, accountants, lawyers or business advisers. How has their advice strengthened the business? Between the management team and your advisers, do you have the full range of expertise you need?*

*Explain any parts of the business that you have outsourced — for example, if you use a book-keeping service or work with a sales agent.*

# Operations

#### *Guidance Notes:*

*This section shows that you are on top of all the practical aspects of running your business.*

## Premises and Equipment

*Explain what premises you have (or are looking for). Is there anything special about the location?*

*What equipment and machinery do you have or need?*

## Employees

*How many employees do you have or need apart from the management team? Are there any special skills needed?*

## Suppliers

*Who are your key suppliers and are they reliable? Do they offer you credit? How will you cope if a particular supplier increases its prices or goes out of business?*

# Financial Forecast

#### *Guidance Notes:*

*This section outlines how you expect your business to perform in financial terms. The main business plan highlights the key figures, with more detailed figures included in the appendix. The forecasts must be convincing: include any key assumptions or evidence that supports your expectations (including historical data if you are already trading). If there is a lot of uncertainty, it may be worth providing a range of forecasts: for example, a ‘most likely’, ‘optimistic’ and ‘pessimistic’ cases.*

## Sales

*What total sales do you expect over the next year and further ahead? Provide a more detailed breakdown if this is useful: for example, by types of customer or different product ranges.*

## Cash flow

*What is your cash flow forecast over the coming months and years? Make sure you are realistic about how quickly you expect customers to pay you. Will your business have enough cash to survive?*

## Profitability

*How profitable will the business be over the next year? What about further ahead? If the business is initially loss-making, when do you expect to reach break-even?*

# Financing

#### *Guidance Notes:*

*This section explains what financing you need to put your plan into action. You may want to include more details in the appendix — for example, giving a detailed breakdown of all your start-up costs.*

*Explain how much financing you are looking for, in what forms. For example, you might want a business loan or leasing package to finance equipment purchases, together with an overdraft facility to help manage working capital requirements.*

*Summarise how you will be using this money. Break the total down into different types of expenditure, for example: purchasing equipment or premises; covering overheads until sales have built up; contingency financing in case sales are disappointing or costs unexpectedly high.*

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