

BUSINESS PLAN

Name of Promoter

T/A

Name of Business

INFORMATION	
LEA Business Advisor:	
Local Enterprise Agency:	
Date:	

FOR OFFICE USE:

Current Employment Status:

Employed	Y/N	Self-employed	Y/N	Unemployed	Y/N
Other, please state:				If unemployed – less than 1yr	Y/N/NA

Steps to Success

Participating in the Steps to Success Programme	Y/N
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SECTION 1: EXECUTIVE SUMMARY

(Insert Business Name) will provide

The business will operate as a sole trader/partnership/limited company and will start to trade on (insert date).

The business will be owned and managed by (if Ltd Co, insert names and details of Shareholders and Directors)...

The main market segments of the business are.....

The business will be based at....

The business will employ.....

The summary financial forecasts are as follows:

Business Goals	Year 1	Year 2
Turnover	£0	£0
Gross Profit	£0	£0
Net Profit (before Drawings and NIC)	£0	£0
Net Profit (after Drawings and NIC)	£0	£0

(ADVISORY NOTE: What is the cash position of the business? What is the funding requirement for the business and what is the source of the funding? What is the net worth of the business at the end of Year 1 and Year 2?)

SECTION 2: BUSINESS AND PROPRIETOR DETAILS**2.1 Business Details**

Business name:

Business address:

Telephone:

Email:

Web address:

Proposed start date

Legal status:

Full-time/Part-time:

VAT registered: Yes/No

Bank:

Accountant:

Solicitor:

Business idea

(ADVISORY NOTE: One paragraph detailing the idea and its main features – this section should not be a copy of section 3.2 which will provide significant detail)

2.2 Proprietor Details

Name:

Home address:

DOB:

Experience:

(ADVISORY NOTE: Provide detail in terms of the promoters work history, qualifications and specific experience relevant to the project being promoted)

SECTION 3: VISION AND BUSINESS IDEA

3.1 Business Goals

A number of clear, measurable business goals have been established for the business.

Financial goals

(ADVISORY NOTE: This table should be cut & paste from the financial projections to ensure accuracy)

Business Goals	Year 1	Year 2
Turnover		
Gross Profit		
Net Profit (before Drawings and NIC)		
Number of customers		
Unit sales projected		
Cash position at year-end		
Net worth at year-end		
Breakeven		

Other goals

(Advisory Note: These should be focussed on the specific project and be measurable)

- Insert goal
- Insert goal
- Insert goal

3.2 Product/Service Details

(ADVISORY NOTE: Detail must be provided here including, size, shape, weight, range, materials, finishes used, design features, unique elements)

The range of products/services offered includes:

- Product or service 1
- Product or service 2
- Product or service 3
- Product or service 4
- Product or service 5

3.3 Key Selling Points

(ADVISORY NOTE: Must be specific to the project – avoid generic terms like ‘opening hours’, ‘customer service’ – what are the specifics and provide detail)

The key selling points of the business are:

- Key selling point 1
- Key Selling point 2

- Key selling point 3
- Key selling point 4
- Key selling point 5

3.4 Future Plans

The future plans of the business are.....

3.5 Export Potential

(ADVISORY NOTES)

Has the business a realistic prospect of exporting outside Northern Ireland?

If so, to which countries?

What percentage of the business is likely to be exported?

How will this be carried out?

4.0 MARKETING

4.1 Market Research

A summary of key findings from the secondary and primary research is included below.

Secondary research

(ADVISORY NOTE: Must present the FINDINGS not just the research conducted – what was identified and how is the promoter using this information to develop the business)

A summary of some of the key findings of the secondary research is provided below

- Insert
- Insert
- Insert

The market size is shown in the table below.

Market segment	Number	Source

Primary research

(ADVISORY NOTE: Must present the FINDINGS not just the research conducted – what was identified and how is the promoter using this information to develop the business)

A summary of the primary research undertaken and results are:

- Insert
- Insert
- Insert

4.2 Sales justification

(ADVISORY NOTE 1: The minimum justification of sales should no lower than 10% of the first years' sales target – preferably higher. If less than 10% then sales projections are likely over-pitched)

(ADVISORY NOTE 2: Any project that has actually traded, whether full-time, part-time, as a hobby or 'test-traded' should present the full findings of this activity including total sales

generated, gross margin & net margin – this will form the basis for the projections. If the business has been bought over, historical financial statements require to be presented to support forecasts)

This is demonstrated in the table below which shows potential customers, the stage of the negotiation and value of actual or potential orders.

CUSTOMER NAME	STAGE OF ORDER NEGOTIATION	ORDER VALUES
Joe Bloggs	Has confirmed purchase of 2 small units @ £125 each (Date)	£250
Janet Brown	Expressed interest in 5 units medium units @ £149 each (Date)	£298
Etc, etc		

4.3 Action Plan to address market research findings

RESEARCH FINDINGS	SPECIFIC PROJECT ACTIONS	TIMING	BY WHO

4.4 Competitors

(ADVISORY NOTE: Provide Source e.g. Google search, Yell.co. etc. It is NOT ACCEPTABLE to indicate there are 'No Competitors')

The proprietor has identified that there are XX competitors in the Northern Ireland and XX competitors in the local area. The key competitors are identified in the table below along with an analysis of their strengths and weaknesses.

Competitor	Strengths	Weakness
Insert name	•	•
Insert name	•	•

Insert	•	•
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4.5 Pricing

The price list is provided below:

Product/service	Price

The prices in the table above were derived from...

4.6 Marketing, Advertising & Promotion

The promotional plan for the business in yr 1 is set out in the table below. A similar promotional approach will be adopted in yr 2 and the marketing budget will be £X.

Promotional Method	Details	Timescale	Cost
Business cards			
Flyers			
Advertisements			
Trade shows			
Networking			
Website			
Facebook			
LinkedIn			
Email			
Total			£

SECTION 5: OPERATIONS AND LEGAL ISSUES

5.1 Staff

The table below sets out the staff requirement of the business and the costs.

Role	Main responsibilities	Staff costs (Year 1)	Staff costs (Year 2)
		£	£
		£	£
		£	£
Training and recruitment costs		£	£
Total costs		£	£

The following training will be provided to staff at a cost of £X in year 1 and £X in year 2.

- Training type 1
- Training type 2

The proprietor has estimated that he/she will require £X drawings per month to live on. The Class 2 National Insurance Contributions are...

5.2 Premises

(Insert Business Name) will be based at... The premises... insert details of the premises, e.g. size, special features, security. Planning permission is required/not required. The local council/planning office has confirmed this. Rent and rates will be charged at £X per month and the lease is for an X year period.

5.3 Capital Expenditure

Required

The table provides a breakdown of the capital items required.

Item	Year 1	Year 2
Total		

Owned

The proprietor has already purchased the following items and these will form part of their investment in the business.

- Item
- Item
- Item

5.4 Stock and suppliers

Stock/material expenditure...

Timing of purchases...

Opening stock...

Closing stock...

Suppliers...

Credit terms...

5.5 Insurance

The insurance requirements for the business are shown below.

- Vehicle insurance...
- Public Liability...
- Employers Liability...
- Professional Indemnity...
- Business contents insurance...

The cost of insurance is expected to be £X per month/per annum

5.6 Legal Issues

The main legal issues that (insert business name) will adhere to are:

- Planning permission is/is not required
- The lease agreement for the premises...
- Health and Safety – The proprietor will ensure that he/she adheres to health safety when dealing with clients, especially
- Trading regulations...
- Data protection: Customer details will be stored securely in an appropriate way.
- Taxation: The proprietor will ensure the rules for registering for tax, NIC, PAYE and VAT are stringently adhered to and all relevant returns and payments will be made on time.
- Intellectual Property/Trademarks/Copyright/Patents

SECTION 6: FINANCE

6.1 Funding

(ADVISORY NOTE: Check that the funding being introduced is actually needed in the financial forecasts. Comment on the appropriateness of the funding structure and amounts)

A breakdown of the funding for the business is provided below.

- **Own investment** - The proprietor will invest £X of cash into the business.
- **Loan** - A loan of £X is required and will be paid back from month X at £X per month over X months (already secured/in negotiation?)
- **Overdraft** – The business will obtain an overdraft of £X. (already secured/in negotiation?)

In addition, the proprietor has already purchased equipment valued at £X, which will form part of his/her investment. More details are provided in section 5.3.

The promoter's investment represents X% of the overall funding requirement.

6.2 Sales Projections

A summary of the sales projections is provided below in table below.

The basis for the second year increase in sales is...

Products/services	Year 1		Year 2	
	Units	Sales	Units	Sales
Total				

Describe the rationale for.....

- Sales levels as presented in the forecasts. Why are these levels appropriate for the project;
- Seasonality;
- Year two sales should be 'reasonable' – any significant jump from year 1 should be EVIDENCED and explained

6.3 Revenue Expenditure

The revenue expenditure increases/decreases in yr 2 by X%. The reason for this level of increase/decrease is...

6.4 Capital Expenditure

The capital expenditure of the business is £X in year 1 and £X in year 2. The proprietor will also invest £X in equipment A breakdown of the capital expenditure and the equipment owned is provided in section 5.4. The level of capital expenditure is appropriate for the requirements of the business.

6.5 Financial Projections Summary & Analysis

Copies of the financial projections are provided in the appendices and summaries of the financial statements are provided below.

Cash flow forecasts

Table: Summary Cash Flow Forecasts		
	Year 1	Year 2
RECEIPTS		
Total Funding		
Total Sales		
Total Receipts		
EXPENDITURE		
Total Revenue Expenditure		
Total Capital Expenditure		
Total Expenditure		
Net Cash Flow		

When providing commentary on the cash flow factors to consider may be:

(ADVISORY NOTES)

- **Cash flow position**
- **Increase/decrease in the cash flow**
- **Need for an overdraft facility?**
- **Is the cash flow seasonal?**
- **Are there key cash flow requirements during the duration of the projection?**
- **Is the cash flow subject to VAT?**
- **Are debtors and/or creditors factored into the cash flow – what are the payment terms?**
- **Can a significant cash surplus be justified?**

Profit and loss accounts

Table: Profit and Loss Accounts		
	Year 1	Year 2
Sales		
Cost of Sales		
Gross Profit		
Gross Profit Margin		
Net Profit (before Drawings and NIC)		

Net Profit Margin (before Drawings and NIC)
Net Profit (after Drawings and NIC)
Net Profit Margin (before Drawings and NIC)

When providing commentary on the profit and loss accounts factors to consider may be:

(ADVISORY NOTES)

- Sales levels
- Cost of sales
- Debtors and creditors
- Profitability
- Gross and net profit margins
- Industry standards

Balance sheets

Table: Summary Balance Sheets		
	Year 1	Year 2
Fixed Assets		
Current Assets		
Current Liabilities		
Working Capital		
Long Term Liabilities		
Net Assets		
Capital and Reserves		

When providing commentary on the balance sheets factors to consider may be:

(ADVISORY NOTES)

- Distinction between the owned and purchased fixed assets
- Current liabilities
- Current assets
- Current ratio
- *If the net worth of the business is less in yr 2 than in yr 1, explain the reasons for this.*
- *Discuss the balance of debt/equity*
- *Is the balance sheet solvent?*

SECTION 7: BUSINESS RISK ANALYSIS

(ADVISORY NOTE: This section should cover Marketing, Operational & Financial sections of the plan – the table below is a sufficient means of doing this – must be project specific)

RISK IDENTIFIED	MITIGATING ACTION