

## FACT SHEET

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A Business Plan is an essential document for any new enterprise. It will help to focus your ideas and allow you to plan for the future. It is also a document that you will be presenting to potential investors, so it is important to take time and consideration developing it.

The Business Plan will describe a business, its objectives, its long-term strategies, the market it is in and its financial forecasts. For a social enterprise it will also describe the social objectives and impact.

It can:

- help you identify strengths, weaknesses, opportunities and threats
- structure the financial side of your business efficiently
- focus your development efforts
- help to measure your progress

The following people or institutions may request to see your business plan at some stage:


- banks
- external investors
- grant providers
- anyone interested in buying your business
- potential partners

You should also bear in mind that a business plan is a living document that will need updating and changing as your business grows.

Your plan should include:

- **An executive summary** - this is an overview of the business you want to start. It's usually the first thing many lenders and investors read and some may make judgments about your business based on this section of the plan alone. It is basically a summary of the key points of the rest of the plan and should be completed after the other sections.
- **A short description of the business opportunity** - who you are, what you plan to sell or offer, why and to whom. It is important to highlight your unique selling point (USP), that is the difference between your product or service and those of competitors.

- **Your social objectives** – what will be your social impact and who will benefit from your service or product? How will you measure this impact?
- **Your market and competitors** - identify your market and target customers through research. Also look at your competitors and identify how you will compete with them.
- **Your marketing and sales strategy** – why you think people will buy what you want to sell and how you plan to sell to them. Be specific about how you will reach your customers and position yourself in the market. Remember to use your social benefit as a potential marketing tool.
- **Your pricing structure** – how much will you charge for your services or product and how have you come to this price? You need to look at competitors, but also your overheads.
- **Your management team and personnel** - your credentials and the people you plan to recruit to work with you. Potential investors will be looking for a range of skills and experience. You need to think carefully if you have the right mix for your enterprise.
- **Your operations** - your premises, location, production facilities, your management information systems and IT.
- **Financial forecasts** - this section translates into numbers everything you have said in the previous sections. For example, your marketing strategy will have cost implications and you need to budget for this. You will need to think of any capital investment that you need to establish your enterprise, identify sources of income and how you will repay any loans. The financial forecasts will run for 3 years. Usually, the forecasts will include cash flow statements for the next 12-18 months, a profit and loss forecast and a sales forecast.



This is just an overview of the main components of a business plan. It is important to take time to develop each section. A Business Plan can seem a daunting prospect but there is plenty of advice and guidance available.

Remember to make use of guidance and training from Business Link and the various guides available online (see below)

Business Planning Guides:

[http://www.forthsector.org.uk/docs/New\\_BusPlanGuide.pdf](http://www.forthsector.org.uk/docs/New_BusPlanGuide.pdf)

<http://www.businesslink.gov.uk/bdotg/action/layer?r.l1=1073858805&topicId=1073869162&r.l2=1073859137&r.s=tl>

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