

Simplified Business Plan Template

Introduction

A business plan has the basic purpose of letting the target audience know about your business today, where you want to take it and how you are going to get there. It also serves as a dynamic document that lets you measure your progress and the effectiveness of your ideas or tactics.

What you have to consider is:

- What service or product does your business provide and what need does it fill?
- Who are your potential customers for your product and service and why would they purchase it from you?
- How will you reach these potential customers?
- Where will you get the financial resources to start and run your business?

If you can be clear in describing all of these things, then with a little professional help from your banker, accountant, marketing consultant or anyone experienced in business planning you will be able to put together a great document on your ideas. (*You need to understand everything that is written in your plan*)

1. Executive Summary

This is an overall summary of your plan and many people might just read this section so make sure that all your main points are included and why someone would want to invest in your business. It is really a summary of the whole plan so you may want to do it last.

2. Situational Analysis (*Where are we now*)

A business plan is really a “roadmap” of where you want go and like all journeys the best place to start is by understanding where you are now – in business terms these means the state of your company, i.e.

- How long have you been in business, what type of company do you have (i.e. CC, Pty Ltd)
- Your business – what are the products & services – what are the market trends?
- What is the business environment like?
- The competition, who are they and what do they offer?
- What is your unique selling proposition – what can you do better?
- Who are your typical customers?
- What marketing do you do (Web page, advertising, events, direct calls, etc)?
- What is your management and staff structure?
- What is your company’s skills inventory?
- What is the general state of your finances?

(Be realistic but positive in this section – remember this is only where you are today and not where you would like to be. This section is just setting the context of the plan, i.e. are you having problems in certain areas and what is working well.)

It is from this Situational Analysis and the SWOT Analysis (which follows) that you can then decide what to do.

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3. SWOT Analysis (This is basically from your situational analysis)

- Relative **S**trengths
- Relative **W**eaknesses
- **O**pportunities
- **T**hreats

As an example: Strengths	Weaknesses
<ul style="list-style-type: none">• Superior technology• Professional Management• Low cost of production• Have an existing client base	<ul style="list-style-type: none">• Dependence on Contractors• Lack of financial experience• Not BEE compliant
Opportunities	Threats
<ul style="list-style-type: none">• Growing Market Sector• Consumer Dissatisfaction in area• Limited Competitors	<ul style="list-style-type: none">• Substitute products• Contractors price changes• Insufficient capital

The purpose of the SWOT Analysis is to highlight the “good” areas that you will use or leverage to sell your ideas and as a differentiator in going to market. The “bad” areas are equally important as these are issues that have to be addressed in your overall business plan – and being honestly aware of them is critical to your success.

4. Strategy & Tactical Planning (*Where are we going & How are we going to get there*)

4.1 Competition. (*A good place to start is with a competitor analysis as it allows you to think about your advantages and how to market them*)

- Who are they
- What is their sales level/market percentage
- What is their pricing
- What are their shortfalls (i.e. quality, service, spares)
- What are the benefits of your product/services

4.2 Target Market & Segmentation (*who do you want as clients*)

- Any particular industry (i.e. Mines, Government, Retail)
- What specific industry/client knowledge do you have
- Any particular size
- What geographic location(s)
- Any other specific attribute – i.e. groups, other products/services
- Any specific problems or needs

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4.3 Positioning (a practical statement that forms the foundation of all your marketing activities. It must create some sort of exclusivity, a compelling benefit, raise a competitive barrier and offer a unique selling proposition)

(The purpose is to say what you deliver – the benefit – and not what you do)

i.e. a “Positioning Statement”

“Newco widgets provide accurate control of the manufacturing process in mousetraps and can cut your production time by up to fifty percent”

“Newco systems allow you to see the whole financial course of your company and guide your activities to create maximum profitability”

“Newco services will allow you a competitive edge in any mechanical engineering scenario”

i.e. typical “Supporting Statements”

“Based on 100 years of research and development”

“The biggest seller in Europe last year”

“Rated best the service by ABC magazine”

“A Totally South African product designed for South Africans and with local support”

(This has to be important, unique, believable and deliverable)

4.4 Pricing (The fundamental is to make money – ensure that you price properly!)

- How is the product going to be priced - based on what the market can bear or actual cost?
- What is the pricing and discount/commission/dealer margin structure
- Does this tie back in with the commercial objectives – see later section?
- How does it compare with competitive products or services?

4.5 Promotion (How do you want to get your product/services to the client?)

Detail your activities around:

- Any initial announcements – i.e. press releases, radio, etc
- Approaches to existing clients
- Creation of marketing collateral (brochures, flyers, branding, etc)
- Development of a website
- Direct Advertising/mail shots, etc
- Events and Trade Shows
- Sales Promotions
- Use of marketing databases
- Telemarketing
- Strategic alliances/partnerships/distribution models
- Industry journals, publications, etc
- Case Studies

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5. Commercial Objectives

Ideally this section will include a well presented financial plan including:

- A 12 to 24 month cash flow statement
- A trading account
- A projected balance sheet
- Details of your investment
- Additional Financing required

These statements can be attached as *Appendices* in which case the actual plan (here) should contain a thumbnail summary,

For example: In R 000's	2006/07	2007/08
Revenue (Sales & Services)	300	500
Cost of Sales	(100)	(150)
Activity Costs	(75)	(100)
Employee Costs	(25)	(50)
Results	100	200

6. Action Plan

(An Action Plan lists the main activities you will undertake to achieve the overall objectives of your plan. These should be **SMART**, i.e. **S**pecific, **M**easurable, **A**chievable, **R**elevant & **T**imely and should include a Critical Success Factor (CSF) that must be overcome to realize an agreed objective or issue.

For example: Prime Objective	Month	Strategy (how will we solve this)	Critical Success Factor
Complete Marketing Plan	January	Self-analysis, direction	Improved procedures
Initial Advertising	February	PR Agency, own input, case studies	Branding
Obtain Dealers & Partners	March	Research & Presentations	Sales Channel
Employ Accountant	April	Use recruitment Agency	Management Reports