



BUSINESS PLAN

More often than not business owners are so busy running their businesses they forget the importance of drawing up a business a plan.

What is a business plan?

It is an overview of the current position of the business, where the business owner wants the business to be and how he intends achieving these goals. In essence it is a summary of business's past, present and future.

Why is a business plan important?

It gives the business owner a clear indication of what is happening in the business and how to achieve the goals necessary for the business to move forward. It also helps to establish any opportunities or challenges that the owner may otherwise not have foreseen. This document can also be used to support your formal application to a financial institution for funding requirements.

When writing a business plan the following information should be included:

Business Details

This would include items such as business name, registration number, address, contact details etc.

Business Description

- This would cover a high level overview of your business and the industry that the business operates in
- It will also incorporate the ownership structure, levels of experience, key management and any financial contribution towards the business
- The understanding of where your business is in its life cycle – by this we mean is the business a start-up business, in a growth phase, maturity phase or decline phase
- The opportunities and challenges of your business
- Succession planning and continuity
- Details of insurance policies relating to your business to assess whether your business is sustainable and protected

Business Operation

- This section would cover what the business does and how does it satisfy the gap in a market place through the services or products it supplies

Business Environment

- This section would need to cover a number of detailed elements being:
 - Sales and customers
 - Debtors
 - Suppliers and Creditors
 - Production
 - Competitors

Financial Review

- Financial statements of the business as well as the assets and liabilities statement for key people who own the business
- Comments around any assumptions that may include future growth due to contracts or tenders to be received. This could incorporate machinery purchased or new branches that will increase the turnover of the business

Source and application funding

If you require funding from a financial institution, this would section would advise the reason for the request i.e. capital expenditure, working capital etc.

Initially putting your business plan together can take some time, however once the ground work has been done, it is easy to maintain as and when changes in the business take place. This document should be regarded as a working document and used as a guide to help the business reach the full potential.