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How To Write A Business Plan



Are you daunted by the thought of writing a big, formal business plan? You're not alone. A lot of people start and never finish, but you don't have to be one of them. You can start with smaller tasks and work your way up.

What is a business plan anyway?

Think about your business plan as a road map. You know where you want to go, you just need to write down the directions to get there. The good news is it doesn't have to be super detailed straight away. That's because there are two types of business plans:

- the lean one-page plan, which is a great way to get going and build ideas, or
- the more formal long plan, which you'll need if and when you're looking for business funding.

The content of each is broadly the same. You say who the target market is, why they need your product or service, how you'll reach them, who you're competing with and, of course, how much money you'll make.

How to do a fast, one-page business plan?

The key to a one-page plan is to start out simple, and grow it as you go. You can begin with a few headings and some bullet points mapping out your vision, goals, milestones and financial forecasts.

Things will keep changing, and new information will come in, so think of it as a living document. Keep tweaking it as things evolve. Sections for a one-page business plan should include:

1. Value proposition

Make sure the reader understands the unique value you'll provide in a few clear, simple sentences. Cut the jargon and fluff, and get to the point.

2. The problem you're solving

Expand on the problem that you're solving. Imagine that you're talking to someone who's never heard your idea before. What is it about your solution that hasn't been done well before?

3. Target market and competition

Who are you selling to, and what other choices do they have? How are you going to serve them better? This is where you need to show you've done some market research.

4. Sales and marketing

How will people learn about you? Will you use social media? Do your customers read trade publications? Or will you sell to them in person? Figure out where your target audience is, and go there.

5. Budget and sales

Do some forecasts of sales and outgoings. What will your margin be on each sale? Will it be enough? How many sales will you need to make a profit? Use the figures to define 'success'.

6. Milestones

Milestones will help you keep an eye on the big picture. For each milestone, say why it's important, note what (or who) you need to make it happen, and put a



due date on it. This helps break everything you need to do down into manageable pieces.

7. The team

Who's part of your business and why? Write a couple of lines for each person, including their goals and responsibilities. Do this even for roles you haven't yet filled.

8. Funding

Identify how much you need (or already have) and what it's for. When will repayments be made, and when do you expect to have paid it all back?

When writing a business plan that's just one page, you need to keep things short and to the point. If there are lots of details for one of the sections, keep them on a separate document. Just run with a high-level summary in the one-page plan.

It's often harder to write something short, so take a few passes. Whittle it down as you go. Make your language clear and simple. A 12-year-old should be able to understand it.

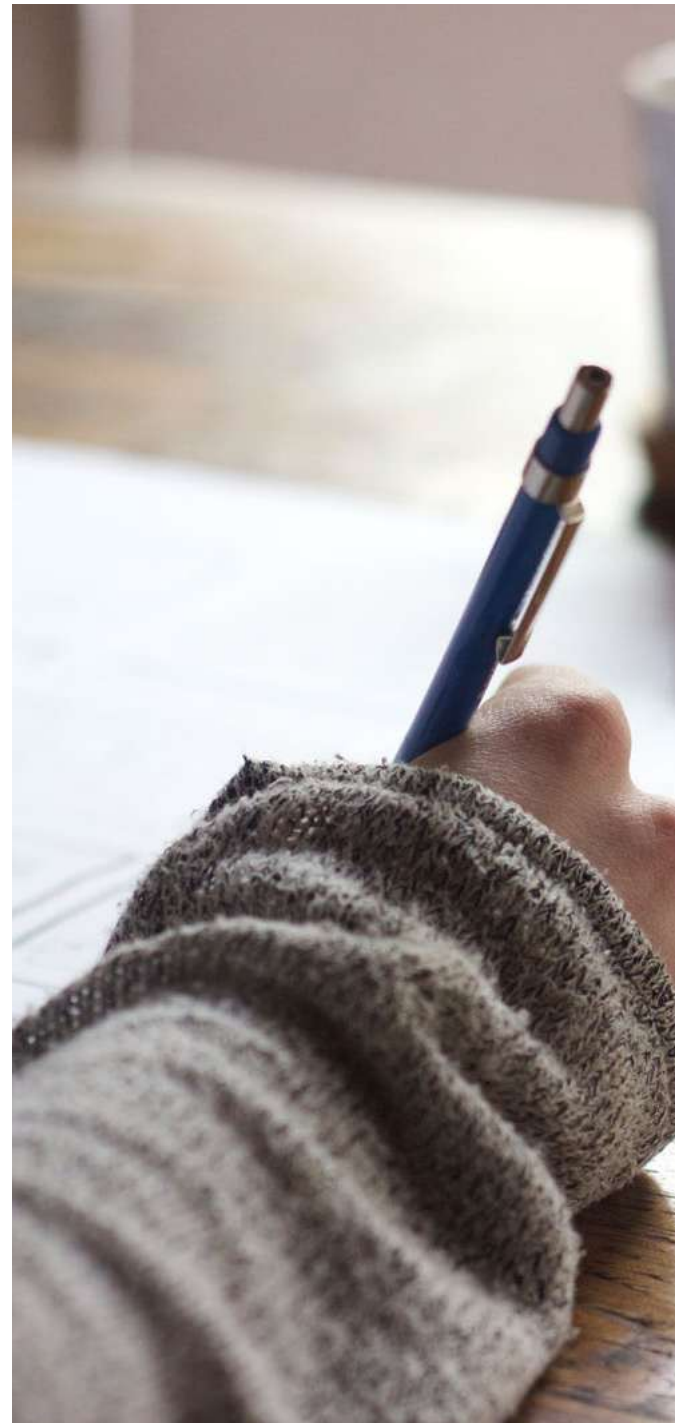
Ask us for assistance to help create your one page business plan.

For some, one page is enough!

Some people start a business with little more than a one-page plan. Rather than doing a whole heap of research, they launch their service or product quickly and watch the reaction of paying customers. After

gathering that feedback, the business adjusts and improves their offering as fast as possible.

This lean startup methodology doesn't suit all businesses. If you need finance from banks or investors, then you'll probably need a more complete business plan.



Example of one-page business plan.

You'll be surprised what you can fit on a single page. Use bullets, be concise, and save the details for other documents.

The Usual Suspects Clothing Company

We create beautiful, ethical clothing at aordable prices, for essential wardrobe basics.

The Market Problem
It can be hard to buy basic cotton items like socks, t-shirts, and tops that are not only ethically made, but great quality, and inexpensive.

Target Market
57K potential customers
· 50% female, age 23-37
· 50% male, aged 28-40

How We Will Solve It
The Usual Suspects Clothing Company will be an online store where people can buy well-made and beautiful clothing basics, without the expensive price tag.

How Our Product Is Better
Our clothes are available online, and deliver anywhere in the world. Often local stores have no real knowledge of where the clothes are made or in what condition

Competitors
Local bricks-and-mortar clothes shops

Large online retailers

Lack of visibility over contractors in larger countries and lack of knowledge about the working conditions

Funding

We'll Need 250K
This will be used to complete construction of our clothing factories in three core markets.

Sales Channels
We sell ethical clothing basics through our website.

Marketing Activities

- Partner with Fairtrade organisations
- Advertise online where the target market is present
- Launch of company via an event with special deals and incentives, plus educational media
- Document working conditions and create marketing collateral that tells a story

Financial Projections

REVENUE

EXPENSES

PROFIT

Milestones

1. Validate target market. [Insert date due, budget and name of person]
2. Create targeted loyalty program [Insert date due, budget and name of person]
3. Hire four new employees [Insert date due, budget and name of person]

Our Team

1. Founder
2. Manager
3. Designer

The Team

Potential Partners

1. Accountants
2. Fabric Merchant
3. Blogger

Value Proposition

The Market Opportunity And Your Solution

Target Market And Competition

Funding Needed — And How It Will Be Used

Sales And Marketing

Budget And Sales Goals

Milestones (Include Name, Due Date, Budget And Person Involved)

Your Team And People You Need To Hire

Partners Or Potential Business Partners



Struggling to get started? Try a SWOT analysis.

If you can't get into a flow with your planning, try doing a SWOT analysis. It's a great way to organise your thoughts and kickstart the planning process.

What is a SWOT analysis?

SWOT stands for strengths, weaknesses, opportunities and threats. It's a way of thinking about your business from the inside out, and from the outside in.

- **Strengths** = things that are great about the idea.
- **Weaknesses** = things about the idea that could be better.
- **Opportunities** = things about the environment or market that will help the idea take off.
- **Threats** = things about the environment or market that will work against you.

A SWOT analysis gives you talking points for your business plan, and concrete action points for getting launched.

How to do a SWOT analysis?

To do a SWOT analysis, divide a page into quarters, then list your strengths, weaknesses, opportunities and threats in the four boxes.

So you've done a SWOT analysis – now what?

Your SWOT analysis is likely to have uncovered some new strategies, goals and things to work on. There'll be something to do in each quarter of your SWOT analysis.

1. Strengths

How will you build on your strengths? Is there more you could do, such as other opportunities to go after? How can your strengths help you deal with threats?

2. Weaknesses

Which weaknesses are the most glaring? Can they be fixed? Will it take more money, more people, or more knowledge to do that?

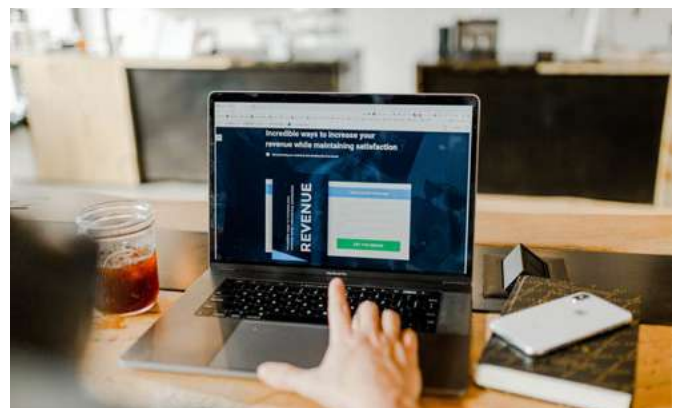
3. Opportunities

Set goals for each opportunity. Ensure that the goals are specific, measurable, attainable, relevant and have a timeline (also known as SMART goals).

4. Threats

Threats tend to attack your weaknesses first, so use this as another opportunity to remedy your weaknesses and reduce the risks.

These action points will be a great starting point for your business plan and your marketing plan – both documents tend to take shape together. Start with the one-page version.



SWOT template

INTERNAL FACTORS

Strengths

Action > Capitalise on these

Answer these questions:

- What do you do well?
- What do you do better than others?
- What unique capabilities and resources do you possess?
- What would others say your strengths are?

Weaknesses

Action > Monitor these

Answer these questions:

- What don't you do as well as you'd like?
- What does your competition do better than you?
- What can you improve on?
- What do others say your weaknesses are?

EXTERNAL FACTORS

Opportunities

Action > Improve these

Answer these questions:

- What are the business goals you are working towards?
- What else can you offer to your existing customers or clients?
- What kind of technology could you use to enhance your business?
- What new target audiences might there be?
- What other products or services could you provide?

Threats

Action > Eliminate these

Answer these questions:

- What obstacles do you face?
- What are the strengths of your biggest competitors?
- What are your competitors doing that you're not?
- What's happening in the economy or industry that might be a threat?



Writing a longer business plan.

Once you've done a lean one-pager, you'll have a much better idea of how to write a detailed business plan. You're really just expanding on what you already have.

Contents of a business plan

(11 essential sections):

1. Executive summary

Provide a short summary of the main points of your business plan. Although it comes first, write it last.

2. Company overview

Identify your industry and your business model.

3. Products or services

Include the context for the problem your products or services solve. You could include your SWOT analysis here.

4. Market analysis

Identify your target market, and the competition including their strengths and weaknesses.

5. Risk assessment

What could go wrong, and how likely is it that those things will happen?

6. Marketing and sales plan

What's your message, and how will you push it out? How many sales can you get?

7. Milestones

What needs to happen and when? How will you measure success for each milestone?

8. Progress reporting

When and how will you report against these milestones? You don't have to be overly formal. Just make sure you're doing it.

9. Team

Name the people involved, note their special skills, and assign responsibilities.

10. Budget

Take your sales forecasts and show how they play out financially.

11. Finance

Show how capital will be used to get set up and maintain operations initially. Show when debts will be repaid.

You can also add an appendix with any supporting or background documents.

Avoid these common business planning mistakes.

- Underestimating how much money it will take to get started
- Not budgeting enough money to cover the first few months of operation
- Expecting sales to ramp up too fast
- Relying too heavily on one or two customers (or suppliers)
- No contingencies for unexpected delays or costs





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