

Money doesn't grow on trees

Do you enjoy business planning? Many people believe that working out a business plan is too complicated to attempt. Others think you only need a business plan if you want finance from an outside source.

Both attitudes are wrong. The Enterprise Agency advises that businesses with a proper business plan generate 50% more revenue and profit growth than those without. Approximately 70% of businesses that fail didn't have a business plan.

A business plan is a statement of intent that sets out clearly your business idea, your business objectives, the markets your business operates in and your financial forecasts.

A good business plan focuses on targets, sets short and long-term goals and provides benchmarks so you can check progress. It requires updating on a regular basis.

- i** The golden rules of business planning are:
- Keep it short, focused and objective
 - Let it reflect your vision, not what you think others want to see
 - Make sure it is presented in a professional way
 - Include realistic projections that give confidence
 - Allow it to demonstrate your understanding of your market and your business
 - Think about the audience – external (bank manager) and internal (management)



- i** Essential areas to cover in a business plan are:

- **Executive summary** – what you want to achieve and how. Sometimes this is the only part people read so keep it to the point, organised and factual. Bullet points are ideal. A good executive summary won't lose an investor; a bad one will.
- **Market research** – what do you know about the market, your competition and your opportunities?
- **Business operation** – what is the business, who will be responsible for it and what is their past experience/qualification/business record?
- **Marketing and sales** – who will be your customers, how will you reach them, what is your pricing policy and how did you arrive at it?

- **Objectives** – what are your short, medium and long-term goals?
- **Financial forecasts** – tables showing projected profit and loss, cash flow and balances that demonstrate you understand seasonal peaks and troughs.
- **A front page, table of contents and appendices** – add these to suit whoever will read your business plan, i.e. are you seeking external funding?

You can find many websites such as the one provided by Business Link London offering advice on preparing a business plan. High street banks also offer help. The following are useful sources of further information:

www.tourismtrade.org.uk/Businessadvice/creatingyourbusinessplan.asp
www.blondon.co.uk
www.gle.co.uk/onelondon/startup