



Enterprise Focus

DM 3105

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Business Plan

What is a Business Plan?



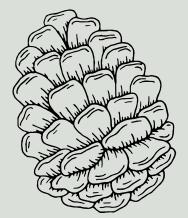
a written document that describes your core business objectives and how you plan to achieve them over a set period of time.



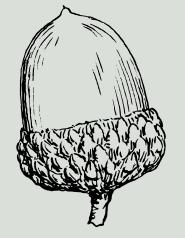


Designed to help you, and others,
understand how you plan to
generate money and make your
business sustainable.

Business Plan Includes



GOALS



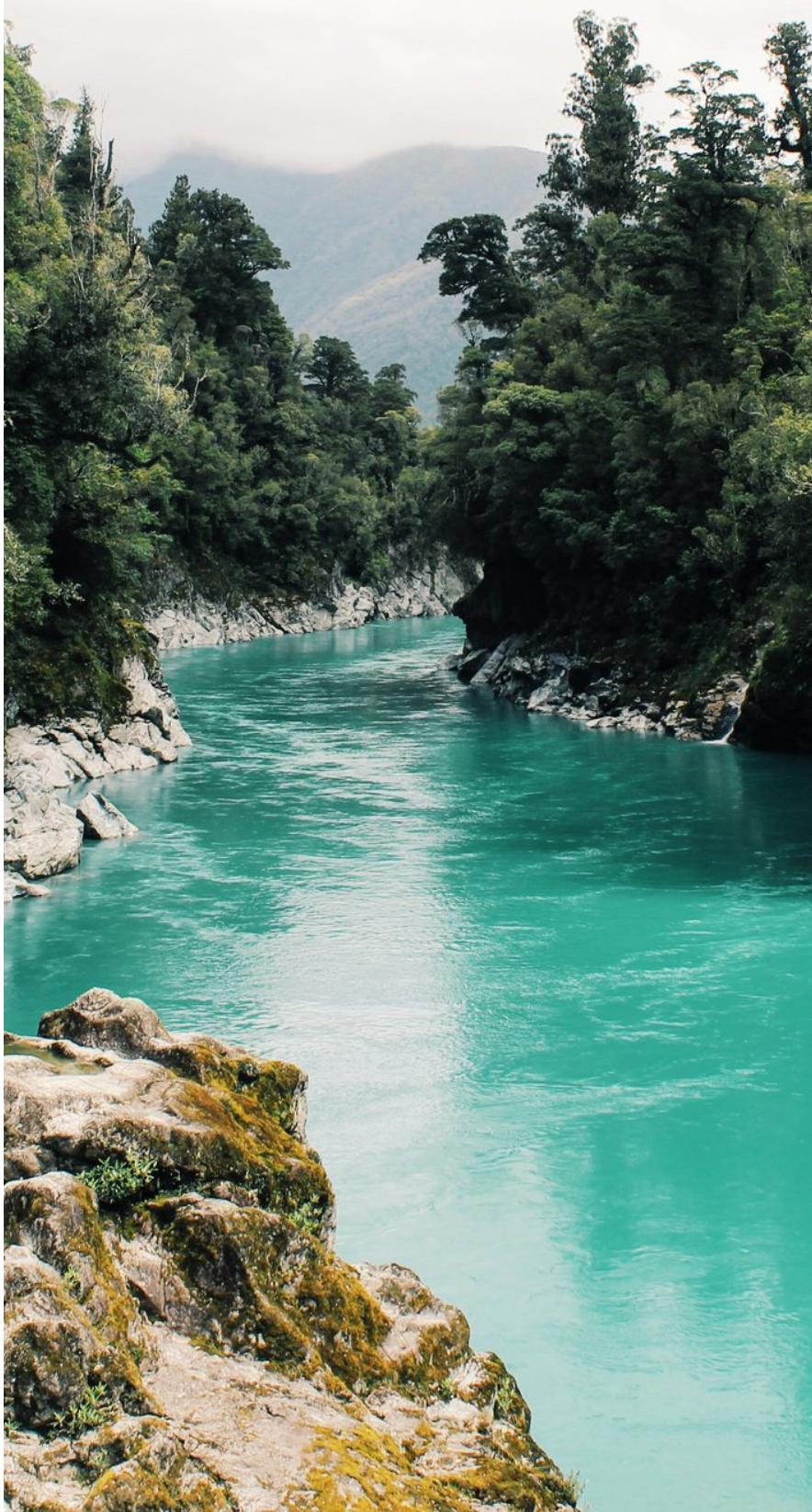
STRATEGIES



MARKETING AND
SALES PLANS



FINANCIAL
FORECASTS



Why is a Business Plan important?

1. Provides a structured way of organising your thoughts and clarifying your idea.
2. Helps you set out your goals and spot any potential problems in achieving these goals.
3. Gives you a clear strategy to follow when things get busy.
4. Is often essential for securing external finance for your business (and is required if you're applying for a Start-Up Loan).
5. Allows you to measure your progress as you go along.
6. Ensures all of your team are working towards the same vision.
7. Helps you plan for the future.

Writing a Business Plan

- Demonstrate that you understand your market and customer
- Use evidence and examples to back up any statements you make
- Make sure everything ties together by linking every strategy to your core objectives
- Consider any risks you face and how you will overcome them
- Be as clear and concise as possible and avoid waffle
- Presentation matters: proof read, review and format your document

How to write a business plan

1. Executive summary
2. Your business
3. The market
4. SWOT analysis
5. Strategy and execution
6. Financials
7. Appendices





Executive Summary

SNAPSHOT OF YOUR PLAN

Should be designed to "hook" readers with your idea, giving an overview of your plan

- what makes you different
- how you're going to market your ideas
- how much money you expect to make and spend

tip: perhaps write it last



How to write?

1. Your business

This is your chance to tell your reader about your business, including its name and what it offers. You should include any insights into your industry that back up the aim of your document.

2. What sets you apart

You can then go on to talk about your target market and competition. Tell your reader about the problem your idea will solve. Explain what your competitors do and what sets your business apart from them.

3. How you'll market your ideas

Describe the two or three main ways you'll market your idea to your target audience to pique your reader's interest. There'll be plenty of opportunity to delve into your marketing strategy in more detail later on in your document.

4. How you'll operate

Describe where and how you'll operate for this project. This includes a description of your business structure and where you carry out your business activities.

5. Your projections

Your reader will want to see how successful your project is likely to be. Show them using sales projections for one and two years into the future. Explain how you'll know when you've broken even and when you expect to turn a profit.

6. The money you'll need

This is the place to talk about any money you're asking for – how much do you need to get your project off the ground? Make sure any number you include here tallies with your calculations in section 5.

- Start strong
- core selling point (SWOT)
- back up your claims
- keep it short and concise
- keep it positive

Your Business

TALK ABOUT YOUR IDEA



- **THE PROBLEM** – What's the need for your business?
What's the problem you're solving, or what's the opportunity? Why would people want what you're selling?
- **THE SOLUTION** – How are you solving the problem?
What will your business do? How does it meet the needs you've identified? And importantly, how is it different?
- **ABOUT YOU** – What's your experience in the sector or industry? What makes you an expert?
- **BUSINESS STRUCTURE** – What is its legal structure?

The Market

INDUSTRY TRENDS AND THE COMPETITORS YOU'RE UP AGAINST. INCLUDE THE MARKET RESEARCH YOU'VE CARRIED OUT

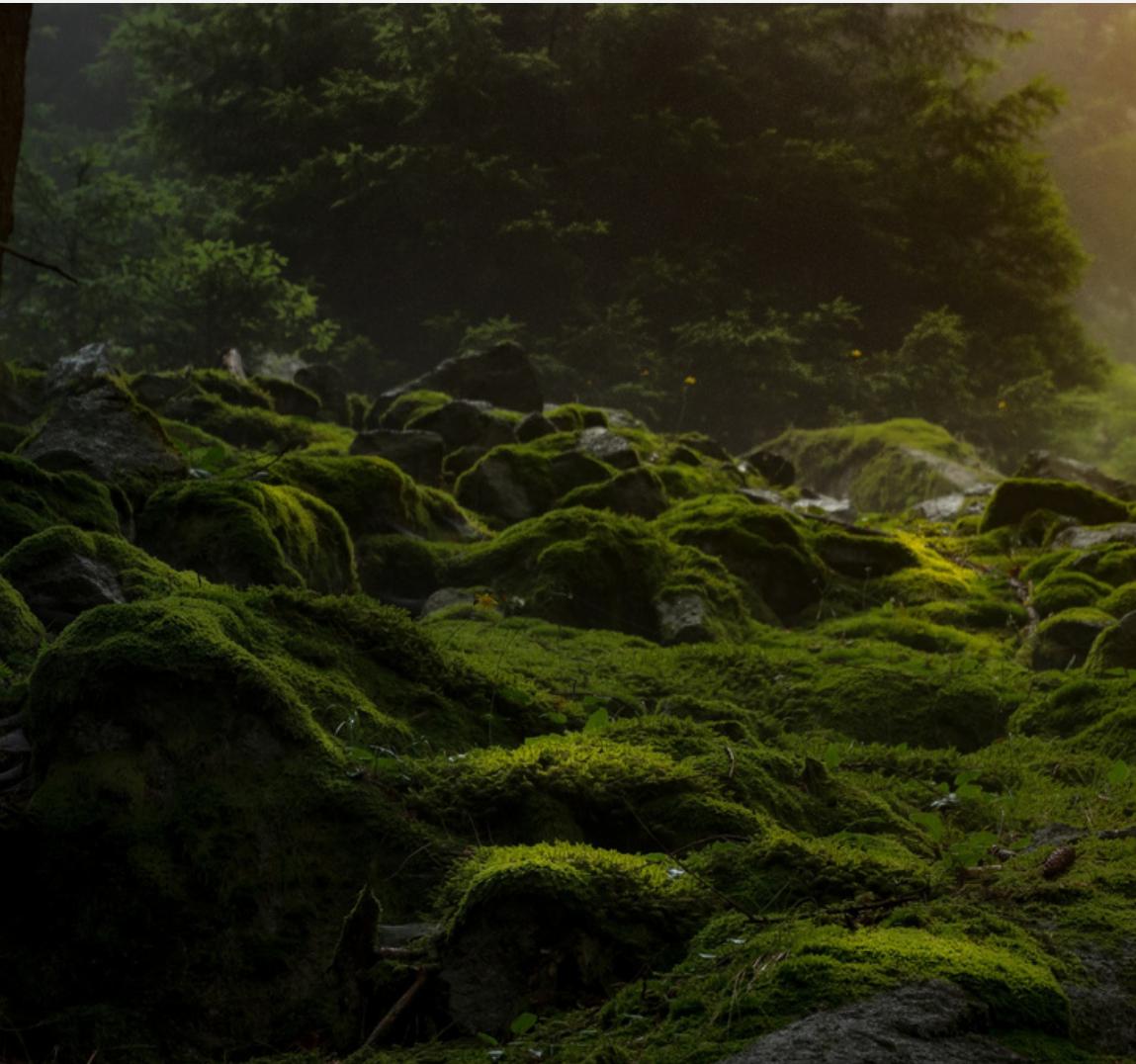
THIS RESEARCH CAN BE QUANTITATIVE (BASED ON MEASURABLE DATA AND STATISTICS), QUALITATIVE (BASED ON GATHERING INDIVIDUAL EXPERIENCES AND OPINIONS), OR IDEALLY BOTH.



- **TARGET AUDIENCE** – Who are your potential customers? How will you target them? How many customers are you targeting? Will that number grow? Where do those customers shop at the moment? Do you have any existing customers or confirmed orders?
- **MARKET TRENDS** – How is the market changing? Is it growing? Are tastes changing? What are the reasons?
- **THE COMPETITION** – what businesses are you competing with? How will you attract customers from your competitors? What advantages and disadvantages do you have against them? How do you think your competitors will react when you start out? How will you respond?

SWOT analysis

STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS



Formatting the SWOT analysis in a grid helps you see how the different elements of your idea interact. For example:

- how will your strengths help you capitalise on opportunities?
- how will your weaknesses amplify threats – and what strengths can help you overcome them?

Completing SWOT charts for your competitors too should help you see how to win business from them.



Strategy and Execution

EXPLAIN HOW YOU'RE ACTUALLY GOING TO RUN
YOUR BUSINESS

- MARKETING and SALES – explain more about your product and service, including its features and benefits. Talk about your pricing strategy, and how you're going to promote your product. And how exactly are you going to sell? Which channels will you use – is it direct to the customer, online, or through other retailers?
- OPERATIONS – where's your location and what premises are you looking at? Is it suitable for long-term growth? How are you going to keep accurate records (for example, of stock, sales, accounts and quality control)?
- YOUR TEAM – are you the only one running your business or are you planning on hiring staff? How will you structure your team? Outline each team member's experience, and what they bring. You might also want to include any outside advisors and experts you're using, like accountants



Financials

THE FINANCIALS NEED TO BE REALISTIC, ACCURATE AND WATERTIGHT

- **sales forecasts and the cost of goods sold** – estimate what your sales will be in the future, listing the goods or services you're selling as well as the cost of each unit. From this, you can estimate profit.
- **a profit and loss forecast** – an overview of sales, cost of sales, overheads, profit and loss
- **cash flow statement** – cash flow is what keeps you afloat – with no money coming in, you can't run your business. The cash flow statement shows you how much money you generate over a specific time period, as well as what you're paying out.
- **balance sheet** – shows an overall picture of your financials at a specific point in time. It summarises your assets (what you own), liabilities (what you owe) and equity (the net difference when you subtract liabilities from assets)

Create Outline for Your Business Plan

simplybusiness.co.uk
startuploans.co.uk