

Guidelines for developing a business plan for an SME

A business plan is a vehicle for your business, your road map. It can be the key to working smarter, not harder. A good business plan will:

- Keep you future-orientated and motivate you to achieve the results you want
- Help you step outside of your business, viewing the future and opportunity objectively
- Enable you to recognise problems that may call for outside advice and assistance
- Help you recognise change in markets and consumer needs
- Plan your business growth and help you manage your financial capacity
- Provide a framework to measure results
- Be a useful marketing tool for outsiders or prospective investors

Your business plan should be revisited and updated annually. Ensure it is fit for the purpose if using internally or as an external marketing tool. The following headings are a suggested structure for developing your business plan:

1. Cover Page

Name of Business

Prepared by including personal contact details and date of business plan

2. Table of Contents

3. Executive Summary

An overall summary of important aspects of the business

Mission Statement – what the business does and where

Vision for the business – where you want to be in the future

Brief company history and past performance

Nature of business and market positioning

4. Structure of Business

Legal structure

Management team

Number of FTE (full time equivalent) employees and their positions

Location of business

5. Business Commentary

Provide background of industry and how your business fits in to this using PEST and SWOT analysis.

PEST analysis:

- Political
- Economic/Environment
- Social
- Technology

SWOT analysis:

- Strengths – these are about your company
- Weaknesses – these are about your company
- Opportunities – this is about external markets rather than internal/operational matters
- Threats (risks) – matters that could impact on your business ie there are many types of risks, financial, employment matters, political, social, new competitors etc

6. Business Products and Services

Demonstrate thorough understanding of products, services and the market for the business (including business risks). Include information and objectives that are:

1. Strategic: where you want your business to go in the future
2. Operational: tactics on how to get there

Keep objectives S.M.A.R.T. so you will be able to see if and how you can achieve them:

- Specific
- Measurable
- Achievable
- Relevant
- Timebound

7. Development Plan

Provide marketing, sales and distribution and research and development information.

- Market Positioning:
What, how, where, when, price and plan of how this is to be achieved
Identifying customers and competitors
What is your unique point of difference
Speed to the market, packaging, trends
A positioning statement of product and the current market
- Sales and Distribution:
Sales approach and tactics
Method of product pricing eg market price and/or cost plus or set price
Method of distribution, costs and profit of distribution
- Research and development:
Product or service improvements, process improvements, costs and associated risks

8. Financial Statements and Projections

12 month cashflow forecast
Profit forecast for two years
Break even analysis
Assumptions that demonstrate the cash flow analysis

9. Appendices

Attachments where additional information may be required

Your business plan should not be put on the shelf but referred to regularly as it is a guide to where you want to go and a way of measuring if you are achieving your business goals.

Contact a Nature Coast Enterprise Business Development Manager for more information (Ph 04 298 6611).

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