



HOW TO CREATE THE PERFECT BUSINESS PLAN

The point of your business plan is to communicate to potential stakeholders what your business opportunity is, how to engage them into it or persuade them to seek a meeting if it's for an investment.

Investors see literally hundreds of plans every year, but probably don't read past the executive summary for most of them. Here's how to do all you can to get yours noticed.

Before your start - ask yourself why are you writing this plan and make sure you answer it. If it's about investment don't forget, Investors will want to see exactly where their money is going.

Your plan must therefore map a specific and clearly defined route by which you intend to reach your goal, and how their investment will help you do this.

Be clear about any actual or potential weaknesses in your business. Show how you're going to address them, be open and honest, **don't** conceal things.

Don't use jargon be clear about what's so great about the opportunity. Your plan should try to answer any obvious questions that any reader who does not know your business could have while reading it. The best way to find out what these are is to get someone sensible, and not too close to the business, to read it and give you their comments and questions. Equally, the Business Plan should not seek to include an answer to every conceivable question. Its objective is to excite investors enough to make them want to find out more face to face or in the case of stakeholders just to get them excited.

Style of Presentation

Adding colour and pictures is easy, and they can help you to get your ideas across. Make it easy for your messages to be read by your potential investor.

Use a type size that doesn't force people to squint (probably 11pt or 12pt for most core text), and have sensible headings, making it simple for readers to find what they're after. Leave plenty of white space and paragraph breaks to make it easier for the reader to digest the information and make notes.

Have a contents page, with page numbers, and break information down into sections, placed in a logical order. This will make it easy to navigate. Use graphs where they show something useful, and remember that colour can make spreadsheets far easier to read. There's also a place for colour photographs, where they give a better idea of your product or service.

The more professional and easy to read your plan is, the more likely investors are to give it the time it no doubt deserves.

The ideal size for the plan should be somewhere between 30 to 50 pages.

The Executive Summary

No more than two pages long, the executive summary must do exactly what it says on the tin – summarise everything that's contained in the business plan. Spend around two paragraphs on each of the key areas. These include prospects for growth, company background, the market, and the management team. Highlight the important points without getting caught up in too much detail. "Balance the desire to tell everything with being comprehensible. Keep it tight and arouse interest without revealing everything."

The Proposition

The exact order in which you display the relevant information is not set in stone, but a sensible place to start is by detailing the company's background, explaining clearly the stage of development you have reached and exactly why, with investment, there's now an opportunity for a fast growth, highly profitable business.

Here is a sample Index of Contents .

Executive Summary:-

Summary

A. Business Description

1. Name
2. Location
3. Product(s)
4. Market and competition
5. Management experience

B. Business definition goals and objectives

C. Summary of financial needs and application of funds

Market Analysis

- A. Description of total market
- B. Industry trends
- C. Target Market
- D. Competition

Products or Services

- A. Description of product line
- B. Proprietary position: patents, copyrights and legal issues.

C. Comparison to competitors products, operations etc.

Manufacturing Processes (If Applicable)

- A. Materials
- B. Source of supply
- C. Production methods

Marketing strategy

- A. Overall strategy
- B. Pricing policy
- C. Method of selling, distributing and servicing products

Management Plan

- A. Form of business organization
- B. Board of directors composition
- C. Officers: organization chart and responsibilities
- D. Resumes of key personal
- E. Staffing plan/number of employees
- F. Operating plan for the next one or two years

Other Pertinent Information, Plans, Appendices etc.

Business Plan Checklist

- Clearly define your goals and explain how external finance will help you achieve them if this is an investment plan.
- Be honest and highlight your strengths, but acknowledge any potential weaknesses.
- Make the plan look attractive and easy to read, but don't let the presentation detract from the content. Use colour photographs and graphs to illustrate key points.
- Plan size should be between 30 to 50 pages.
- Use the executive summary wisely. Arouse the investor's interest, but don't give too much away .
- Include sections on company background, growth potential, the market, exit strategy and key personnel.
- Make sure your financials add up. Projections should be specific and credible, and double check your calculations.