Developing a business plan

If you are just starting up

At the start, planning your business enables you to focus your mind on exactly how your business will operate and what it will offer. It will also make you think about who will buy your products or services and how to get your sales and marketing working right from the start.

Putting all this into a realistic financial plan will tell you how viable your business is, how much money you need to start and what level of trade you need to keep going. It will also help you get a bank account and to talk to potential investors if you need them.

Helping your business plan to be a success

Investing time and effort in planning will significantly increase your chance of starting a successful business so why not sign up to our **Build your Business video series** which will help you build a model for your start-up business.

> **Download our**
> **Business Plan Template**
> (88KB)

Already established?

If your business has grown without a having a business plan you might and think that developing one is a waste of time. However, if you want or need to involved others (including employees) in helping you grow and develop your business the most effective way to do this is to have a sense of direction that is not only in the head of one or two people but written down in a way that means it can be

shared, actioned and measured.

There can be two stages to planning for growth:

Stage 1 - Strategic planning

Your strategic plan sets out the medium to long term goals for your business and explains the strategies you will follow to reach them. Strategic planning enables you to:

- Take a step back from the day-to-day activities to think about if or how you want to grow the business.
- Decide on the direction you want the business to take and its future size, products or services.
- Identify new opportunities and risks to your business.

You don't have to do this alone and it can be really helpful to involve investors, employees and advisors who understand your business and whose opinion you value. Typically the best way to start the strategic planning process is to work through the following questions.

1. How does your business work now? This is about really understanding the products or services the business provides to which customers and markets, how effectively does it operate and generates a financial return. You might think about using some simple business tools like a SWOT and PESTLE analysis to structure your thinking.
2. Where do you want to take it? Now you need to consider your objectives for the business. What will it look like in five or ten years' time, what will be the focus, size, values and competitive advantage of the business?
3. What needs to happen to get to where you want to take it? What changes do you need to make or areas do you need to concentrate on developing in order to reach your long term objectives?

Monitoring progress is important which is where a business plan comes in. Effective strategic planning enables you to look dispassionately at the business and make decisions for the long term. It can be uncomfortable for an owner manager whose personal life and identity

might be tied up in the business.

However, it does create a mechanism to make an honest assessment of the business's future and to make decisions with actions, deadlines and responsibilities that will take the business forward.

Stage 2 - Writing a business plan

If your business has grown into a number of departments it can be useful for each department to have their own part of an overall plan. This will enable the different parts of the business to have their own goals but at the same time bring them together into one integrated action plan that shows how everyone is pulling in the same direction.

Of course, no plan is helpful if it just sits in a draw, so you need to review your progress and use process this to allocate and plan resources to maximise the chance of success right across your business.

Remember, every business is different and so too are their business plans. It doesn't matter how many years you plan for or how simple or ambitious your goals might be, the most important thing is that you have given careful consideration to setting your goals and to developing your strategy to achieve them.

If you need help and advice on planning your business or your next growth project, get in touch and arrange to see one of our business advisors.

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This is a helpful template to create your business plan

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- Guide to Writing a Business Plan
- Business Plan Template

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