



# Plan Your Own Success



**Workbook**



# Why is it a no-brainer that every business need a Business Plan?





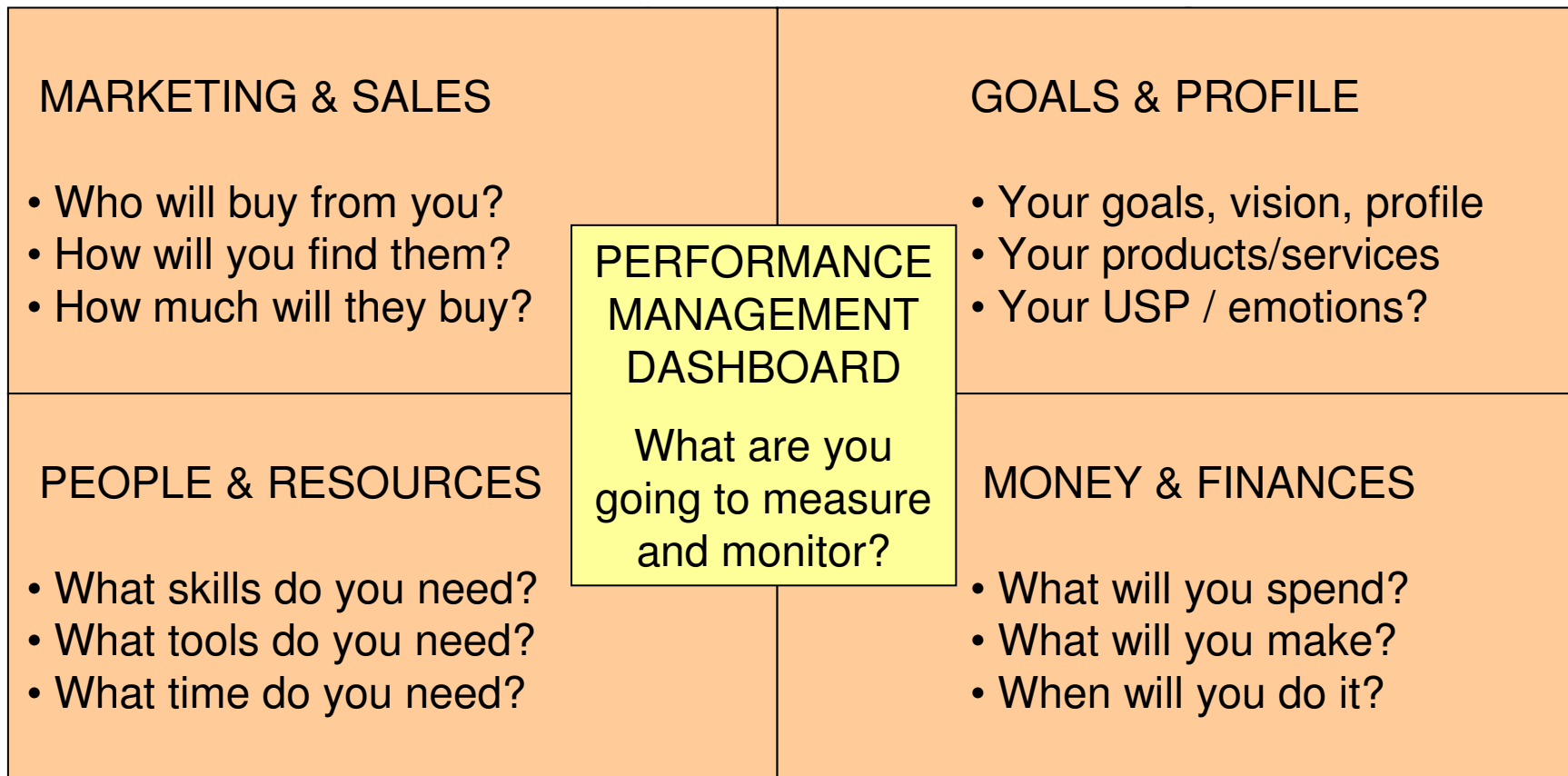
# A Business Plan shows your business is:

**Vi**able **C**reditable **S**ustainable **P**rofitable **F**undable

It gives you some goals to work toward and a means of  
measuring your progress.



# Your 5 Page Business Plan

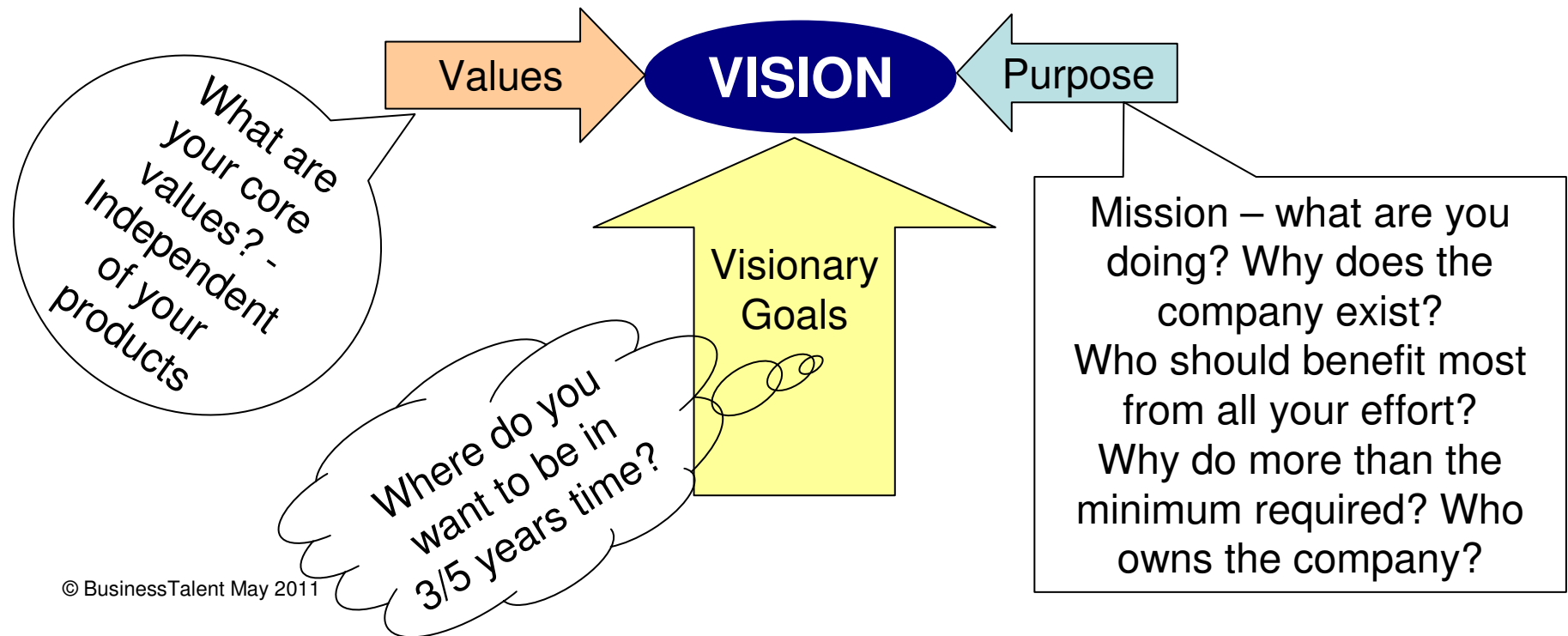


PROOF OF  
CONCEPT?



# What Business Are You In?

## Start with Your Business Concept





# Coca-Cola: Mission Statement & Vision

## Mission:

- To** refresh the world - in mind, body and spirit
- To** inspire moments of optimism – through our brands and actions
- To** create value and make a difference everywhere we engage

## Values:

Leadership, Passion, Integrity,  
Accountability, Collaboration,  
Innovation, Quality

## The Coca-Cola Company Vision (goals):

- Profit:** Maximising return to shareholders, while being mindful of our overall responsibilities
- People:** Being a great place to work, where people are inspired to be the best they can be
- Portfolio:** Bringing to the world a portfolio of beverage brands that anticipate and satisfy people's desires and needs
- Partners:** Nurturing a winning network of partners and building mutual loyalty
- Planet:** Being a responsible global citizen that makes a difference
- Productivity:** Be a highly effective, lean and fast-moving organisation



# 1. Write Your Vision

Purpose/Mission (why, why, why):	Visionary Goals:
Values:	



# Your Business Profile

<p><b>Describe Your Business Concept:</b> What Business are you in? What critical problem(s) are you solving for your clients/customers? What is your USP?</p>	<p><b>Summarise your capability:</b> How long in business? What people/skills do you have? What have you achieved? What do you plan to achieve?</p>
<p><b>Summarise Your Product/Service:</b> Identify Features, Advantages, Benefits e.g. natural skin cream: Feature: natural ingredients Advantage: no harmful impacts Benefit: your skin looks younger</p>	<p><b>Summarise Your Clients' Profile:</b> Who are you targeting – businesses or consumers, demographics: income, age, interests, location, buying patterns</p>



## 2. Write Your Summary Profile

Outline Your Business Concept:	Outline Your Track Record:
Outline Your Products/Services:	Outline Your Key Clients:



# SWOT – Analysis

<p><b>What are your key Strengths?</b> Think about your business in terms of money, manpower, materials, machines, methods and list your key strengths</p>	<p><b>What are your key Weaknesses:</b> Now think about where you are weak (e.g. too reliant on one or two people, new to the market, over-stretched, untested product)</p>
<p><b>What are your Opportunities?</b> Think about the industry you are in from a Political, Legal, Economic, Social, Technological, Industrial and Environmental context?</p>	<p><b>What are the external Threats?</b> Now think about the risks and threats – what is changing or may change that could adversely impact on your business?</p>



## 2. Do Your **SWOT** Analysis

number your top three in each box, 1 = highest

List your key <b>S</b> trengths?	List your key <b>W</b> eaknesses:
List your key <b>O</b> pportunities?	List your key <b>T</b> hreats?



# Operational Decisions

## What do you need?

<p><b>What People &amp; Skills?</b> What people/skills do you need? What people/skills to you have?</p>	<p><b>What Resources &amp; Facilities?</b> Are you going to make or buy? Do it yourself or out-source?</p>
<p><b>What Policies?</b> HR / People Management Health &amp; Safety Risk Management / Environment Quality &amp; Customer Service</p>	<p><b>What Processes?</b> Purchasing processes Marketing &amp; sales processes Production processes Management processes</p>

(Go to workbook action 5 and 6)



## 4. List Your People & Resources

List your people/skills	List any gaps or future needs
List your resources/processes	List any gaps or future needs



# Marketing & Sales

## PRICE | PLACE | PROMOTION | PRODUCT

<p><b>What are you selling at what price?</b> List your key products/services. If there are a lot group them into types that match client/customer target groups.</p>	<p><b>What are your key benefits?</b> – benefits are emotional selling points beyond the features of your product or service. What emotions drive people to buy YOUR offer?</p>
<p><b>Who are your clients/customers?</b> Businesses or consumers? Age, sex, interests, location, social level – narrow down your focus to specific businesses/people/places.</p>	<p><b>What are your marketing plans?</b> There are many channels to market – referrals, networking, direct mail, online, internet, PR, publicity – plan your marketing.</p>

# Channels to Market





## 5. Draw Up Your Marketing Plan

<p>List what you are selling here</p> <ol style="list-style-type: none"><li>1.</li><li>2.</li><li>3.</li><li>4.</li></ol>	<p>List the key benefits for each here</p> <ol style="list-style-type: none"><li>1.</li><li>2.</li><li>3.</li><li>4.</li></ol>
<p>Identify your prospect' profiles here</p> <ol style="list-style-type: none"><li>1.</li><li>2.</li><li>3.</li><li>4.</li></ol>	<p>List at least 3 marketing methods you will use:</p>



# Set Your **Business Plan Goals**

**Make them SMART:**

**S**pecific  
**M**easurable  
**A**ttainable  
**R**ealistic  
**T**ime-bound

**Set them in the light of your SWOT, gaps, USP, marketing and business development plans. Revisit your Goals when you have completed your financial plan.**



## 6. Set Your Business Plan Goals

Make them **Specific, Measurable, Attainable, Realistic, Time-bound**  
Set them in the light of your SWOT, gaps, USP, marketplace & plans

My goals for...	Write down your SMART goals here:
3 months are?	1.
6 months are?	2.
1 year are?	3.
2 years are?	4.
3 years are?	5.
1. Write down one thing that you can do every week to increase your sales	
2. ..and the one thing that if changed would have most positive impact on your business:	
Get some paper and write down all ideas you can think of to make this change happen.	

# You Need a Financial Plan



**Profit & loss funding forecast:** all income and expenses for a period i.e. per year for three years, showing funding needed if relevant.

**Cash flow forecasts:** the balance of cash in and out over a given period of time – detailed for the first year (very important for all businesses)

**Break-even point** – (BEP) the point at which your costs or expenses and income are equal

**Balance sheet** – statement showing your financial position at a particular time including assets, liabilities and equity (shares)

# CASH IS KING

## Why forecasting and monitoring your cash flow is important

This simple example shows how a successful business may easily run out of cash – it assumes that there is a two month gap between paying out money to buy/make a product and getting paid by a client who buys the product.

Joe Blogs start up cashflow	start-up	mth 2	mth 3	mth 4
Number of sales	0	2	4	6
<b>Starting balance</b>	<b>£8</b>			
<b>MONEY OUT:</b>				
Fixed costs (office etc)	£0	£2	£2	£2
Product costs: @ £1 each	£0	£2	£4	£6
<b>Total costs - money out</b>	<b>£0</b>	<b>£4</b>	<b>£6</b>	<b>£8</b>
<b>MONEY IN:</b>				
Money in sales: @ £2 each	£0	£0	£0	£4
<b>Cash balance</b>	<b>£0</b>	<b>-£4</b>	<b>-£6</b>	<b>-£4</b>
<b>CASH FLOW</b>	<b>£8</b>	<b>£4</b>	<b>-£2</b>	<b>-£6</b>



# Cash Flow Forecasting

<b>THREE MONTHS CASHFLOW FORECAST</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Total</b>
<b>Cash inflows (income)</b>	£'000	£'000	£'000	£'000
accounts/payments received	34	40	40	114
interest on savings and investments	1	1	1	3
loans received			25	25
<b>Totals</b>	<b>35</b>	<b>41</b>	<b>66</b>	<b>142</b>
<b>Cash outflows (expenditure)</b>	£'000	£'000	£'000	£'000
raw materials	10	0	10	20
wages (payroll)	10	10	12	32
rents	1	1	1	3
other operating costs	2	4	2	8
equipment lease	0	5	0	5
loan repayments	0	0	0	0
dividend payments	2	2	2	6
taxes and vat	0	14	0	14
<b>Totals</b>	<b>25</b>	<b>36</b>	<b>27</b>	<b>88</b>
<b>OPENING BALANCE (cash in hand)</b>	<b>5</b>	<b>15</b>	<b>20</b>	<b>59</b>
<b>TOTAL INCOME</b>	<b>35</b>	<b>41</b>	<b>66</b>	<b>142</b>
<b>TOTAL OUTGOINGS</b>	<b>25</b>	<b>36</b>	<b>27</b>	<b>88</b>
<b>NET CASH FLOW (cash in minus cash out)</b>	<b>10</b>	<b>5</b>	<b>39</b>	<b>54</b>
<b>ENDING BALANCE (cash position)</b>	<b>15</b>	<b>20</b>	<b>59</b>	



# Knowing Your Breakeven Point

It is important to know your break-even point as that will help you understand what it takes to become profitable. Below is a simple calculation illustrating one method of calculating the break-even point – any time period can be used.

	£	
<b>News agents stall - breakeven</b>		
News agent - cost of stall per day	60.00	
Sells newspapers for 50p each	0.50	
Buys newspaper for 20p each	0.20	
Contribution to fixed costs is 50p - 20p =	0.30	
Breakeven $\text{£}60 / .3 =$		<b>200.00</b>

The news agent needs to sell 200 newspapers to break even.

# Pricing is Very Important

## beware of discounting

### Pricing policy

This table demonstrates the impact of discounting

**Needs to add 25 clients to make £50,000 profit (£20,000/£800)**

**Could lose 16 clients and still make £50,000 profit (£20,000/£1,200)**

Pricing policy	
100 clients value £1,000 each	£100,000
Fixed costs of £50,000, no variable costs	£50,000
Profit	£50,000
Number of clients to reach breakeven	50
Times are tough so decide to discount 20%	
100 clients value £800 each	£80,000
Fixed costs of £50,000, no variable costs	£50,000
Profits	£30,000
Number of clients to reach breakeven	63
Times are tough so decide to up price 20%	
100 clients value £1,200 each	£120,000
Fixed costs of £50,000, no variable costs	£50,000
Profits	£70,000
Number of clients to reach breakeven	42



# Profit & Loss Forecasting

	Current Unit Price	Number of Unit Sold	Profit & Loss Year 1 (£'s)
<b>Income</b>			
Therapy class (per average class)	£800.00	12	10,800
Massage oils (per jar)	£15.00	500	9,000
One to one clients (per hour)	£80.00	200	16,000
<b>Total Income</b>			<b>£35,800</b>
<b>Direct Cost of Goods Sold</b>			
Room hire per class	£250	12	3,000
Buy massage oil	£5	500	2,500
Room hire one to one clients	£50	200	10,000
<b>Total Cost Of Goods Sold</b>			<b>£15,500</b>
<b>Net Gross Profit</b>			<b>£20,300</b>
<b>General Operating Expenses</b>			
Marketing activities			1,000
Office rental			3,600
Phones			360
Office consumables			200
Travel and hospitality			600
Website and email hosting			48
<b>Total Operating Expenses</b>			<b>£5,808</b>
<b>Net Profit Before Tax</b>			<b>£14,492</b>



## 7. Draw Up Your **Financial Plan**

### **Profit & loss forecast:**

- **all income and expenses for a period i.e. per year for three years, showing funding needed if relevant and broken down into budget headings.**

### **Cash flow forecast:**

- **the balance of cash in and out over a given period of time – monthly for the first year (very important for all businesses)**



# Your Dashboard

Decide what you will measure & monitor – Knowledge is power!  
Here are some ideas on things to monitor:

<p><b>People (quarterly):</b> Staff absenteeism and sickness Client/customer satisfaction Client/customer complaints/issues Skills required vs skills gaps</p>	<p><b>Marketing &amp; Sales (monthly):</b> No. of leads generated No. of leads converted to sales Hrs. prospecting vs hrs/sales billed Hrs. networking vs leads generated</p>
<p><b>Business Plan Targets (quarterly):</b> Achievement of targets on time Achievement of targets on budget Changes in SWOT analysis</p>	<p><b>Finances (monthly):</b> Forecast vs actual income/expend. Forecast vs actual sales volume Forecast vs actual cash flow</p>



## 8. Draw Up Your Dashboard

Write down what you will measure & monitor (description / timeframe)

People:	Marketing & Sales:
Business Plan Targets:	Finances: