

# HOW TO WRITE A BUSINESS PLAN



**srj** walkerwayland

# SRJWW

## Growing Business Growing People

- **About Dianne Brown**

- Chartered Accountant
- Business Advisor
- Education/Training Specialist
- Growth & Profit Improvement
- Strategic Business Planning
- Queensland Business Mentor
- **[Dianne.brown@srjww.com.au](mailto:Dianne.brown@srjww.com.au)**



# Business Planning

1. What is business planning?
2. Purpose of business plans
3. Components of business plans
4. Resources

# What and Why?

## What is Strategic/Business Planning?

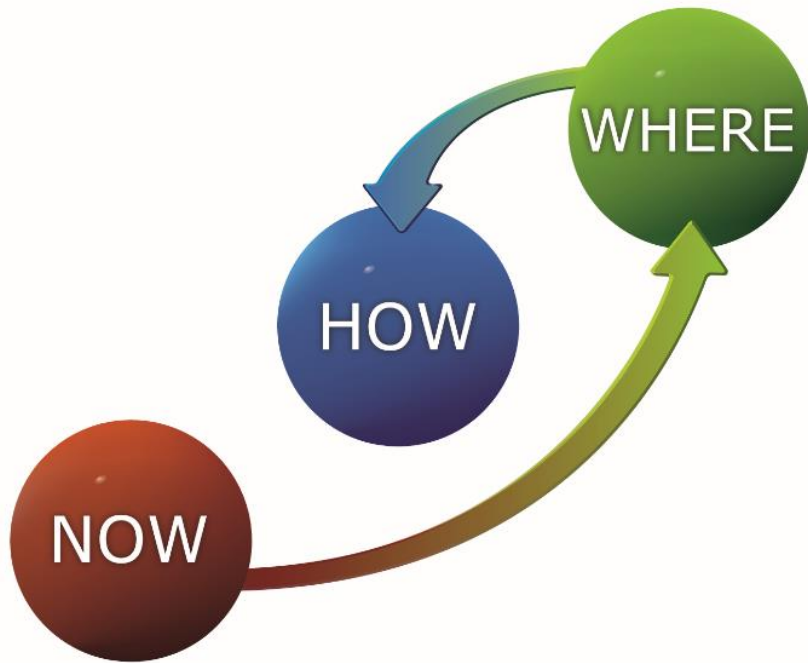
- Process that provides business direction
- Breaks that direction down into strategies and action items
- Keeps business owners/managers accountable
- Strategic Plan = evolving document

## Why is it important?

- Business Clarity, Priorities, Actions
- Map to achieve your business goals
- Required for financing
- Used to obtain Grant Funding



# Strategic Planning - Now Where How



It's critical to understand where you are NOW and WHERE you want to be at the start of the process

Too often leaders jump from the NOW to the HOW in their business.

1. Sales \$
2. Staff #'s
3. Products/Services
4. Location
5. Profitability
6. Systems & Technology

# Strategic planning model



A clear sustainable competitive advantage is critical for success.

**Why?**

Too often organisations drive strategy with ‘operations’ as the focus first rather than ‘marketing’.

**Why is that a risk?**

# Purpose of Business Plans

- Document your goals – Your NOW, WHERE and HOW
- Your “why” will determine the detail of your business plan
- Internal v External use
- Grant funding & finance v Strategic One-page-plan
- Start up business v Established business
- Review & Update Regularly

# One page plan

From Now analysis and GPS diagnostic

From Visioning exercise

| Now  |  | Where  |   |
|--|--|--|---|
| <ul style="list-style-type: none"> <li>Sales 3 million</li> <li>14 staff</li> <li>Profit 6%</li> <li>Average Sale 7k</li> </ul>    |  | <p>One page growth plan<br/>XYZ Company<br/>12 month plan</p>                |   |
| <ul style="list-style-type: none"> <li>Sales 3.6 million</li> <li>15 staff</li> <li>Profit 12%</li> <li>Average Sale 9k</li> </ul> |  |  |   |
| Strategies   | Actions  | Who  | When  |
| Grow sales 10%   | <ul style="list-style-type: none"> <li>Develop and train new sales process</li> <li>Implement a referral system</li> <li>Implement new website</li> </ul>                              | <ul style="list-style-type: none"> <li>JM</li> <li>SW</li> <li>PH</li> </ul> | <ul style="list-style-type: none"> <li>14<sup>th</sup> Nov</li> <li>28<sup>th</sup> Nov</li> <li>24<sup>th</sup> Jan</li> </ul> |
| Leadership training  | <ul style="list-style-type: none"> <li>Determine list of 10 core competencies</li> <li>Focus on 3-4 commercial projects</li> <li>Book experienced advisor to train team</li> </ul>     | <ul style="list-style-type: none"> <li>JM</li> <li>SW</li> <li>PH</li> </ul> | <ul style="list-style-type: none"> <li>1<sup>st</sup> Dec</li> <li>5<sup>th</sup> Feb</li> <li>12<sup>th</sup> Jan</li> </ul>   |
| New CRM Platform   | <ul style="list-style-type: none"> <li>Review best practice used in industry</li> <li>Short-list 3 providers. Do cost benefit</li> <li>Select one to pilot with super users</li> </ul> | <ul style="list-style-type: none"> <li>JM</li> <li>SW</li> <li>PH</li> </ul> | <ul style="list-style-type: none"> <li>1<sup>st</sup> Nov</li> <li>1<sup>st</sup> Dec</li> <li>10<sup>th</sup> Feb</li> </ul>   |

From Strategic SWOT or Mindmap of HOW then top 3 Pareto items

From Force Field on each of the Pareto items. Who and When added in one page plan



# Traditional Business Plan

|  |           |
|--|-----------|
| <b>Business Plan Summary</b> .....     | <b>4</b>  |
| The Business.....                      | 4         |
| The Market.....                        | 4         |
| The Future.....                        | 4         |
| The Finances.....                      | 5         |
| <b>The Business</b> .....              | <b>5</b>  |
| Business details.....                  | 5         |
| Registration details.....              | 5         |
| Business premises.....                 | 5         |
| Organisation chart.....                | 5         |
| Management & ownership.....            | 6         |
| Key personnel.....                     | 6         |
| Products/services.....                 | 8         |
| Innovation.....                        | 8         |
| Insurance.....                         | 8         |
| Risk management.....                   | 9         |
| Legal considerations.....              | 9         |
| Operations.....                        | 9         |
| Sustainability plan.....               | 11        |
| <b>The Market</b> .....                | <b>12</b> |
| Market research.....                   | 12        |
| Market targets.....                    | 12        |
| Environmental/industry analysis.....   | 12        |
| Your customers.....                    | 12        |
| S.W.O.T. analysis.....                 | 13        |
| Your competitors.....                  | 14        |
| Advertising & sales.....               | 15        |
| <b>The Future</b> .....                | <b>17</b> |
| Vision statement.....                  | 17        |
| Mission statement.....                 | 17        |
| Goals/objectives.....                  | 17        |
| Action plan.....                       | 17        |
| <b>The Finances</b> .....              | <b>18</b> |
| Key objectives & financial review..... | 18        |
| Assumptions.....                       | 18        |
| Start-up costs for [YEAR].....         | 19        |
| Balance sheet forecast.....            | 20        |
| Profit and loss forecast.....          | 21        |
| Expected cash flow.....                | 22        |
| Break-even analysis.....               | 23        |
| <b>Supporting documentation</b> .....  | <b>24</b> |

# Components of a Business Plan

1. Executive Summary
2. Management/Operations Plan
3. Marketing Plan
4. Future of your business
5. Financial Plan

# Executive Summary

- Leave this section to last
- Short, concise – key information only
- Link to purpose of the plan
  - Business overview
  - Market overview
  - Vision
  - Goals/key actions
  - Finance summary

# Management/Operations Plan

- Business Purpose
- What do you sell and why?
- What need are you addressing?
- Admin
  - ABN, location, contact, website link etc
  - Organisation chart/Key personnel
  - Business group structure
- Risk Analysis

# Management/Operations Plan

- Innovation Strategy – including any R&D activities
- IP Strategy – including any registered trademarks/patents etc
- Sustainability plan
  - Environmental impacts
  - Community impacts
  - Include sustainability/environmental milestones
  - E.G. Move towards circular economy through Aspire platform. Sell offcuts(waste) – target \$10,000 by 30 June 2022

# Marketing Plan

- Your Business
  - Sustainable Competitive Advantage
  - Your brand/market position (high cost/luxury v low cost/consumable)
- Your Market/Customers
  - Key market demographics – market size, % reach, issues occurring in market
  - [Industry information | business.gov.au](#)
  - [IBISWorld - Industry Market Research, Reports, & Statistics](#)
  - Key customer demographics – age, gender, social status, attitudes, location
  - Define Client Avatar

# Marketing Plan

- **Competitor Analysis**
  - Identify key reasons clients buy from you
  - Identify and rate yourself against these key competitors
  - Identify actions to take to capitalise on and/or address gaps

# Strategic SWOT

- How can I use these strengths to overcome these threats?
- How can I use these strengths to commercialise these opportunities?
- What do I do to make sure that these weaknesses don't spoil the opportunities?
- What if the weaknesses combine with the threats. Corrective action?

## STRENGTHS

- Quality Australian made products
- On time delivery
- Longevity/Reputation
- Leadership Team

## WEAKNESSES

- Lack of presence in the market
- Stagnating Sales
- Lack of knowledge of competitors
- Lack of CRM

## OPPORTUNITIES

- New Product Lines
- New market potential -aerospace
- Equipment and Technology improvements

## THREATS

- No change
- Loss of key staff
- Loss of leader
- Cheaper imports

- **Research & Development Program**
- **Develop & implement Sales & Marketing Strategy**
- Identify new equipment/technology available

- Implement Performance Appraisal and Development Program with staff recognition
- **Improve efficiencies with innovative technology and equipment**

- Draft R&D blueprint
- **Develop & implement Sales & Marketing Strategy**
- Improve efficiency by using innovative equipment and technology

- Integrate client communications and sales and marketing plan into CRM
- Follow up lost proposals >\$5k



# Marketing Plan

- Marketing & Sales Strategy
  - Must have digital marketing component
  - Sales & distribution channels – do you know the % split across your different product mix/channels?

# Your Future

- Vision
- Values
- Goals – SMART
- Action Plan – detail, responsibility, date
- Projects contained within action plans allow you to “map” to various Grant funding programs
- Key Performance Indicators – measure impact of strategy

# Financial Plan

- Summary of past trading history
- Financial Goals & requirements
- Budgets/Projections
  - Forecast Profit & Loss + Balance Sheet
  - Cash Flow forecasts
  - Include assumptions

# Resources

1. <https://www.businessmoretonbayregion.com.au/learning-modules/small-business-finance-accounting>
2. <https://www.business.gov.au/planning/business-plans>
3. [Industry information | business.gov.au](https://www.business.gov.au/industry-information)
4. [IBISWorld - Industry Market Research, Reports, & Statistics](https://www.ibisworld.com/industry-market-research-reports-statistics)



Thank you for tuning in.

**Dianne Brown – 0404 016 808**  
**[Dianne.brown@srjww.com.au](mailto:Dianne.brown@srjww.com.au)**