Business Plan Template

**Introduction**

Every business needs a business plan to leverage every change for success.

A well thought out business plan will avoid mistakes later and will guide you with later decisions.

The format may appear complex at first sight but in simple terms it is about anticipating the issues you are likely to face, having a clear strategy and a viable business plan:

* How you will be set up;
* How you will market your product or service;
* How you will differentiate your product or service from the competition;
* Who your main customers we be;
* Your strengths and weaknesses;
* What resources you will need - premises, equipment and people;
* How much capital the business will need;
* How profitable it will be;
* How much cash it will generate; and
* What might go wrong

This template has been designed to help you work through the key aspects which should be considered before starting a business and we hope you find it helpful.

Please complete items highlighted, then remove the highlight for a professional format.

**Business Plan**

**Name of Business**

**Date Prepared:**

**Prepared by:**

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# Executive Summary

*This is a summary of the whole plan and its purpose is to provide the reader with a brief overview of the key elements of your plan. You should write this section last. It should be no more than one page long and should include:*

* *Description of the product(s) and/or service(s) you will provide.*
* *What you hope to achieve (business objectives).*
* *What will make you better than your competitors.*
* *Location of the business, how it will operate and who will manage it and work in it.*
* *Level of sales and profit that will be made in the first and subsequent years.*
* *How much money is required to start your business and where will it be sourced from.*

# Background

## Personal History

*Summarise your background and that of your business partner(s) (if applicable). Enclose a copy of your CV(s) as an appendix.*

## Business History

*Describe:*

* *The proposed business.*
* *Why you have chosen it.*
* *Any unique elements of the business idea.*
* *How your knowledge and experience will help you to succeed.*

## Business Objectives

*Explain your business and personal objectives. Eg Achieve a monthly turnover of $50,000 by MTHYR with $?? Net profit. And a turnover of $?? By MTHYR with net profit of $?? By MTHYR the business is planned to employ the owner plus ?? full time employees.*

# Product/Service

## Description

*Describe what product(s) and/or service(s) you will be providing.*

## Pricing

*Provide details of your prices and an explanation of how they have been calculated. A price list may be included as an Appendix.*

## Product/Service Cost

*Provide details of your direct costs for the product(s) and/or service(s) you will provide (i.e. product purchase costs, material, direct labour).*

## Suppliers

*Include details of your suppliers and sub-contractors. What is your relationship with them? How much do you rely on them?*

# Market

## Market Research

*This section should provide evidence of existing and future demand for your product(s) and/or service(s).*

*Describe what research you have carried out. Your research should utilise secondary sources of information (internet, trade magazines, market sector reports, competitors’ data, etc) and primary research directly conducted with your potential customers (surveys, interviews, focus groups, questionnaires, test marketing, sample feedback, etc).*

*You should analyse the results and explain your findings. These findings should consider three key areas: the market, customers and competitors.*

### The market

*How big is the market for your product(s) and/or service(s)? What are the market trends and key influences on demand? Which market segments will you target and why?*

### Customers

*Who will your customers be? What is your typical customer profile(s)? What are their motivations are for buying? What are their buying habits and preferences? How much and how frequently will they buy?*

### Competitors

*Who are your competitors? What product(s) and/or service(s) do they provide? What prices do they charge? How successful are they (market reputation, financial performance, size)? What are their strengths and weaknesses? What makes you stand out from your competitors (your competitive advantage)?*

## Marketing Plan

*Explain how you will reach your target customers. Explain what methods you will use to promote and sell your product(s) and/or service(s). Explain why you have chosen these methods and what results you expect from them.*

## Sales Forecast

*Provide details of how many sales per month you think you are going to achieve for each of your products and/or services and the price you are going to charge. Insert your monthly forecast into your profit and loss projection and cash flow forecast. Explain your assumptions upon which your forecast is based. Remember to allow for time to build up your sales in the early months of trading and any seasonal variations, etc.*

# People

*Who will be employed in the business? What roles will they carry out? Provide brief job descriptions.*

# Operations

## Premises

*Where will the business operate from, i.e. home, will you be leasing premises, buying premises? Describe the premises (type, size, location, facilities).*

## Systems and Processes

*Describe how the business will work. Detail key systems and procedures. Explain how you will control quality and manage customer service. Identify key functions and who will carry them out.*

## Vehicles and Equipment

*What physical resources will be required (vehicles, machinery/tools, office equipment, IT hardware and software, etc)and how will you fund these?*

# Legal

## Legal Structure

*Explain which legal structure you have chosen and why (sole trader, partnership, company, etc).*

## Safety/Premises Law

*Identify the key areas of safety and premises related law and regulation you will need to comply with (e.g. Health and Safety, environmental health, planning, licensing, product safety, fire, etc). Explain what actions you will take to ensure you comply.*

## Business Law

*Explain the key areas of business related law and regulation you will need to consider, (e.g. data protection, employment, tax/GST, contracts, and agreements, terms and conditions, company, partnership, intellectual property, business names, trading law, etc). Explain what actions you will take to ensure you are operating within the law and managing your commercial risks.*

## Insurance

*Provide details of all insurances, (e.g. professional indemnity, product liability, employers’ liability, public liability, vehicle, buildings/contents, stock/good in transit, etc)*

*NB: The lists in section 7: Legal Issues are not exhaustive and you should thoroughly research all the legal requirements relating to your particular business.*

# SWOT analysis

*Assess the internal strengths and weaknesses of your business. Identify the external opportunities and threats facing the business in the marketplace.*

*More details about SWOT analysis:* [*https://www.investopedia.com/terms/s/swot.asp*](https://www.investopedia.com/terms/s/swot.asp)

|  |  |
| --- | --- |
| **Strengths**  What do you do well? What unique resources can you draw on? What do others see as your strengths? | **Weaknesses**  What could you improve? Where do you have fewer resources than others? What are others likely to see as weaknesses? |
| **Opportunities**  What opportunities are open to you? What trends could you take advantage of? How can you turn your strengths into opportunities? | **Threats**  What threats could harm you? What is your competition doing? What threats do your weaknesses expose to you? |

## Contingency Plan

*Explain how you will address your internal weaknesses and overcome the potential threat to your business if and when they occur.*

# Finance

## Start up costs

*List everything you will need to set up and start your business. Please indicate if you already own, or have purchased the item and any current value.*

|  |  |  |  |
| --- | --- | --- | --- |
| **Item** | **Cost ($)** | **Already Owned/Acquired**  **Yes/No** | **If Owned, Show Current Value ($)** |
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## Funding Requirements and Sources

*Detail below what funds will be required to start the business.*

Capital Expenditure $

Working Capital $

Total $

*Explain where the funds will come from. Please provide details of any personal investment, private borrowings, bank borrowings, etc. If borrowing is required, state whether or not it has been secured and from whom.*

## Personal Survival budget

*Calculate how much money you need to earn from your business to meet your personal living costs.*

*A Personal Budget Template is available on: https://moneysmart.gov.au/budgeting/budget-planner*

## Break-Even Sales

*Calculate the level of sales you need to achieve to sustain your business. This is known as break-even sales and is where your income equals your expenditure. Calculate this using the following equation:*

*Annual Overheads ($) ÷ Gross Profit margin (%) = Annual Break-Even Sales ($)*

*The following example demonstrates how to calculate annual break-even sales:*

*If annual overheads are $30,000 and gross profit margin is 60%, the level of sales needed to break-even = $30,000 ÷ 0.6 = $50,000.*

*Your gross profit margin (%) can be calculated using the following equation:*

*Gross Profit Margin (%) = Annual Gross Profit ($) ÷ Annual Sales ($) x 100*

*Once you have prepared your Profit and Loss Forecast (section 9.5) you will be able to identify your annual sales ($), annual gross profit ($) and annual overheads ($) figures.*

## Financial Forecasts

**Profit and Loss Forecast**

*Provide forecast for 1 – 2 years as appropriate. A Profit and Loss Forecast Template is available* *when you subscribe to Xero or a Xero free trail* [*https://www.xero.com/au/signup/*](https://www.xero.com/au/signup/)

### Cash Flow Forecast

*Provide forecast for 1 – 2 years as appropriate. A Cash Flow Forecast Template is available when you subscribe to Xero or a Xero free trail* [*https://www.xero.com/au/signup/*](https://www.xero.com/au/signup/)

### Forecasting Assumptions

*Provide a list of any assumptions you have made to arrive at your forecasted figures.*

# Appendices

*Use the Appendices section for supporting documents that the reader may wish to refer to, but may be too detailed for the main text of the business plan, (e.g. CVs, price lists and literature, costing and pricing calculations, market research results, competitor and market price analysis, legal documents/terms and conditions, evidence of orders already received, etc).*

*Your Profit and Loss Projection and Cash Flow Forecast can also form part of your appendices, if preferred.*

*Would you like some further assistance getting started with your business?*

*Why not book a complimentary 1 hour meeting with Accountants 2 Business. Our expert accountants have a meeting agenda with 29 topics for discussion.*

*Are you worried about what you don’t know?*

*[A red sign with white text

Description automatically generated with medium confidence](https://calendly.com/accountants2business/meeting-partner-janelle-bartlett-new-enquiryweb-clone?month=2022-02)*

Zoom meeting are available 1 Hour FREE!