



How to Prepare a Business Plan

1. The Title Page

It is important to devote a little time to arranging an attractive layout. It must show clearly the name of the business, its address and phone numbers, fax number and e-mail address. The name of the person who prepared the plan and the date on which this was done must also be clearly laid out.

2. The Contents List

Although this is obviously the next section of the document, you leave the preparation of it until the end as you will have to get the page numbering right.

3. Proposal

This is a clear concise statement of what the business intends to do and it should indicate the possible market. Possible examples would be:

eg1. Proposal

To design and manufacture a fully automatic, self-regulating computerised environmental system, capable of extracting silver from used fixer chemical, and, in conjunction with integrated resin filtration cartridges, to ensure that the remaining chemical has been purified sufficiently to enter the 'public drainage system' in accordance with the 'Water Pollution Act (Ireland) 1977 and the 1990 amendment, and to supply the same to printers, newspapers, hospitals – indeed all outlets where photo-processing takes place.

eg2. Proposal

To manufacture and distribute a range of cardboard boxes, suitable for containing plastic bottles and other items and to market them in small lots, i.e.

quantities of 50 and upwards. Proposal – To establish and run a coffee shop selling tea, coffee, cakes, sandwiches and savouries. We aim to provide a fast, friendly service in pleasant, relaxed surroundings to shoppers, business people, tourists and residents in the Temple Bar area.

eg3. Proposal

To establish and run a painting and decorating business, interior/exterior, domestic, commercial and industrial in the Dublin area.

eg4. Proposal

To establish and run a health farm, catering to the needs of people who are suffering from stress, and who wish to unwind and possibly have a re-think about their particular lifestyle, in the quite atmosphere of the peaceful and scenic countryside. They would have the option of learning about the advantages of alternative medicine and relaxation as a way of life, to help them cope with the stress of modern living and remain healthy.

4. Sample Summary

Not everyone will want to read through a full Business Plan unless they can be convinced that the project is worthwhile and deserving of support. It is therefore very important to put in here a brief one or two page summary of the whole project in order to convince a prospective investor, loan company or help agency of the viability of the enterprise. Only then will they study the full plan.

This summary should therefore provide a brief outline of the full Business Plan under the following headings:

The Enterprise

- A very brief history
- Its objectives (designing, manufacturing or selling)
- Growth and performance

The Products

- What is being sold

- Any unique characteristics
- Present stage of development
- Features which distinguish it from opposition e.g. quality, price etc.

The Market

- The target market: home or overseas
- Market size and potential for growth (independent statistics if possible)
- Realistic estimate of the market share you will seek to achieve.

Financial information

- Expected turnover, profit.

Financing

- For what purpose is finance required?
- How much is needed and when?
- What type of finance is sought; grant, loan, equity etc.?
- The actual writing of this section should be left until the full plan is completed as all of these points should be covered in the whole document of which this is just a summary.

4.1. Sample Summary

The Enterprise

- To supply and fit alarm system to the public. The company has already secured a loan company that will allow customers to pay between €5 and €10 per week on instalments. The company will be paid as soon as the system has been installed (the finance company involved with us at the moment is not a commercial loan company).
- The objective of our scheme is to supply and secure as many homes and businesses as possible to provide a service and maintenance on these systems.
- The growth and performance over the next year will be determined by our salesmen, the salesmen will be selling to a warm market created by the company, by advertising and leaflet drops local newspapers and recommendations from our customers.

The Product

- The product being sold is a complete intruder system for domestic and commercial premises, it will have the unique characteristic by using hi-tech control panel, coupled with the latest in infra-red technology and a complete array of security equipment from personal attack buttons and anti-foam bell boxes.

The Market

- The market at the moment is demanding more and more security not only for the domestic market but for commercial properties as well. Everyone is aware of security these days whether it is for your home, property or car. There is also an increase in personal security.
- The level of crime is increasing the amounts of burglary, armed robbery and violence is increasing every day. The security market is increasing.

Financial Information

- We expect to turnover a realistic figure of €220,000 for our first year with an estimated €70,000 in profit after all payments.

Financing

- We require finance to purchase equipment and set out our shop and office. The security equipment has to be paid for before an order is sent. This will continue for a period of three months until we establish a track record with our suppliers. The finance will be used to fit out the premises with display cabinets and desks and display (walls).
- We are looking for a term loan of €10,000 which will be paid back over a term set out by the company.

5. Structure

Under this heading you must outline the legal structure of your business. Do you intend to set up as a sole trader, a partnership, a Limited company or a Co-operative? Do you intend to conduct your business under a Trade Name? There are advantages and disadvantages of each of the various options. Details of the areas of responsibility of each of the principals and in the case of a

Limited company details of the shareholding of the directors should also be included.

This section might then look something like this:

- e.g. (a) Structure

It is intended to run the business as a single proprietor under the trade name of 'Handyman Services'.

- e.g. (b) Structure

It is intended to establish the business as a partnership, with Mr John Connolly responsible for production and manufacture, and Ms Pat Browne responsible for Administration and Sales.

- e.g. (c) Structure

It is intended to set up initially as a co-operative under the title of 'U-Value Co-Operative Society Limited'. After the first year the aim is to change to a Limited company having a share capital of 100,000 divided into 100,000 ordinary €1 shares.

Location

This is simply a description of where you propose to set up. If there are any advantages to the business in the chosen location they should be mentioned as should any alterations to the premises which it might be necessary to make, together with the estimates of cost. If the chosen premises is being purchased out-right, mortgage cost per year should be stated as should the rent if it is leased.

- e.g. (a) Location

A premises suitable for our manufacturing purposes has been obtained at 14 Main Street, Blankstown. The rent on the premises is €1,000 per month. It will be necessary to alter the main entrance to allow passage for heavy machinery. The estimated cost of this would be €1,250. These premises are adjacent to the port and rail-head.

Market

This, for any enterprise, is the most critical section of the Business Plan. If you cannot sell your product or service then there is no future in your project. In

this section you must prove to yourself and to possible investors or supporters that you have indeed researched the market and that you have as a result developed a plan to penetrate it. The following questions must be addressed as fully as possible:

- What is the size of the market? If possible, give independent statistics which may be obtained from the Central Statistics Office, the Trade Board, local commercial libraries or independent agencies.
- Is there a product or service similar to yours already on the market and, if so, where does it come from and what advantages will your product/service have over it?
- Is the market growing, stable or contracting? Here again it is helpful to produce independent statistics to demonstrate the market trend.
- Are there external influences which can affect the market such as legislation, common market policy, European and international standards etc.?
- Who will buy your product/service and who are the end users?
- What influences potential buyers? Is it fashion, necessity, perceived use or what?
- How much of the market can you cope with now? This is directly related to your production capacity and available time?
- What potential buyers have you contacted and how have they reacted to your product?
- Have any of them given you provisional orders or indicated a willingness to buy from you? Correspondence between you and potential buyers should be included in the appendices as should details of any surveys you have conducted.
- What plans have you to further develop your product/service? In this world everything is mortal. Nothing lasts forever. That applies to products as well as people. So you must indicate what plans you are making to replace or upgrade your particular product/service when it comes to the end of its current life cycle.
- What steps are you taking to increase customer's satisfaction with your product/service?
- What steps do you propose to take to promote your product/service? You may have the best product/service in the country but unless you can

make potential customers aware of its existence and of their need for it, your whole project will fail?

- How are you going to get your product or service to the end user? Are you going to use a distributor/wholesaler or agency and what arrangements have you made with them? How reliable will your distribution service be? Have you thought of any alternative system just in case? What steps have you taken to source the raw materials for your product/service? Can you guarantee that you will have an adequate supply at all times? Is there an alternative source in case of emergency?
- If your product/service unique and, if so, what steps have you taken to ensure that it will not be copied?
- If you are proposing to market a product that is made elsewhere what arrangements have you made with the manufacturers to protect your right to sell it?
- Who are your competitors? What advantages have your product over theirs? How do you intend to deal with the competition?

6. Staffing

This section lists the staff required to run the business. It gives the job title of each member and the salary that it is proposed to pay them. Where it is a one person business it is helpful from the costing point of view to apportion his time between actually manufacturing on the one hand, and selling the product (including administration) on the other. Salaries paid should always be reasonable. Some examples of how this section might look are as follows:

- **E.g. (a) Staff**

General €1,100 per month

Manager €13,200 per annum

Employer PRSI – €1,610 per annum

Product €1,000 per month

Manager €12,000 per annum

Employer PRSI – €1,464 per annum

Operatives 4 €650 per month
 €7,800 per annum, each
 Employer PRSI – €952 per annum, each

- **E.g. (b) Staff**

Mr Connolly will run the business and will devote three quarters of his time to the actual work and one quarter to selling and administration. He will allow himself a salary of €150 per week (or €650 per month).

7. Production and Sales

This section can take the form of a chart which shows, in the case of a product, the number of items made in a month, the number of units that it is estimate will be sold and the number that will be held in stock. Care should be taken to calculate the actual numbers of working days per month, so as to make the production figure as accurate as possible, and in the sale estimates due allowance should be made for seasonal fluctuations. This section could look something like this :

Month	1	2	3	4	5	6	7	8	9	10	11	12
Days	22	20	20	20	23	19	23	11	21	22	21	15
Opening Stock	0	82	122	122	102	95	24	7	8	9	1	2
Units Made	24	22	20	22	20	25	32	09	25	31	21	32
Units Sold	16	01	80	22	02	60	28	02	70	12	01	20
Closing Stock	82	122	122	102	95	24	7	8	9	1	2	7

The opening stock for any month is the same as the closing stock for the previous month. Where the business is a service industry or shop, then an estimate should be made of the turnover in euros for each month, together with an estimated figure for the cost of materials needed to achieve this. Therefore this section could look something like this:

Month Turnover Cost of Purchases

	€	€
1	8,000	3,200
2	11,500	3,680
3	10,500	3,360
4	10,500	3,360
5	4,000	1,280
6	10,500	3,360
7	10,500	3,360
8	11,000	3,520
9	7,000	2,240
10	11,000	3,520
11	10,000	3,200
12	9,500	3,040

8. Material Costs

In this section, if it is a manufacturing business, you would give the detailed costs of the raw materials which you would use in making the proposed product. The cost of such raw materials should be given in terms of the cost of making one single product. Suppose for instance you were making wooden boxes; there would be the wood, of course, but also the hinges, the lock and the handle. So if the piece of wood cost €10, but would make 5 boxes, then the cost of wood per book would be – €2, plus the cost of two hinges €5 per 100 and the cost of lock and handle at say 50c, plus nails and glue per box at say 2c. The total raw material cost per unit made would be €1.62.

It is important in this section to say whether you have made arrangements to purchase your raw materials on credit and what terms you are being allowed. What alternative arrangements could you make should your initial suppliers fail?

Where the business is providing a service, it will be necessary to work out the cost of the material likely to be used in carrying out an average service. Again you would need to deal with credit terms and with continuity of supply. If the business is a shop then the total average cost to the shop of the items should be given with reference again being made to credit terms and continuity of supply.

- Costings

Deciding your Pricing Policy and fixing the price of your product/service can make or break a business. There are a number of considerations which you must take into account such as the price of comparable products/service; your costs in producing the product/service the profit you would like to make and finally the price that the market will bear.

Always start by determining your costs for each unit to be produced and sold (for services, calculations can be based on hours). Costs should be divided into fixed costs (those which must be paid irrespective of output) and variable costs (those which depend on output).

- Fixed Costs

This is simply a list of the cost which will be incurred by your enterprise whether it produces a product/service or not. In compiling this list you are making a budget for your business for the year ahead and like all good budgets it should be reasonable but not excessive and your project must live within its constraints. The expenses for each type of business will vary and we are setting out hereunder a general list of the costs which are commonly incurred. Some of these may not apply to your particular enterprise but we may have omitted some that do and you should include these.

- Rent

A figure should always be shown for this even if no rent is actually being paid, for instance – where a business is being run from a privately owned house. This is done so that a proper costing and therefore a reasonable selling price can be arrived at. So here you will enter either the actual rent or what you would consider to be a fair estimate of a rent

- Rates

This is also a 'must' figure. You may have to go to the local County Council Office to get an approximation of what it is likely to be. This amount is usually paid in February or March. Note: If you are renting a premises make sure that there are no outstanding rates or you may become liable for them.

- Power and Light

This is the cost of supplying power for light, heat, machinery etc. Electricity at 10c per unit is quite often the most difficult to estimate. A unit of electricity is

equivalent to 1,000 watts burning for one hour, or a 100 watt bulb lighting for ten hours. E.S.B. bills are paid every two months.

- Carriage Inwards

This may actually be included in your raw materials prices, and if so it should not be repeated here.

- Motor Expenses

Here you would estimate your petrol costs, together with the other running costs, e.g. car insurance, maintenance, parking costs etc., and say in what months they are likely to arise.

An alternative method is to estimate the figure for the whole year, and then divide by twelve to set aside a fixed sum each month. The A.A. will tell you the average cost of running a car for a week.

- Travel Expenses

This is an estimate of expenses incurred when you or your employees make business trips. The usual method, is to set aside a fixed sum each month and if necessary state if a particular month would require an increased allocation e.g. a trade fair overseas in September.

- Entertainment

Do you intend to advertise in the media, have leaflets printed and distributed? How do you propose to make your business known? What will it cost and when will the cost be incurred?

- Publicity

Do you intend to advertise in the media, have leaflets printed and distributed? How do you propose to make your business known? What will it cost and when will the cost be incurred?

- Insurance

If you have a premise it will have to be insured. If you have employees they will have to be insured. If you are dealing with the public you must have public liability insurance. If you have equipment or cash, these too should be covered by insurance. Before completing this section, you must get quotations from insurers and select the one most suitable to your needs. Insurance costs are usually payable in instalments over the first four or ten months in any year.

Please note that insurance is so important that most of the help agencies will not assist a venture, which cannot produce evidence of insurance.

- Postage

You must estimate the cost of postage for the year and provide a monthly allowance to cover it.

Stationery A business starting up will need record books for accounting purposes, letter headed notepaper, business cards, invoice books etc. Work out what these will cost initially and how often you will need to get fresh supplies, so that you can say what the total annual cost will be and how much will be paid each month.

- Telephone/Fax

These are paid four times a year. Estimate the total cost and how much each payment will be. Do not forget to include rental charges.

- Laundry

Most businesses have a cleaning bill of some sort. It may be for shop coats, overalls, towels etc. Make an estimate for the year and provide a monthly sum to cover it.

- Office Expenses

Most businesses have minor expenses, like the provision of 'elevenses'! How much will this cost in a year and what will you allow to cover it?

- Technical Publications

Some businesses need to buy trade and technical publications to keep up to date. If yours do, state how much these are likely to amount to and when the costs will have to be met.

- Research and Development

No product lasts for ever in its present format. So it will always need to be improved and developed or alternatively it may be necessary to replace it totally. It is important therefore to continuously upgrade your product/service and set aside a sum of money for this purpose.

- Loan interest

If you are taking out a loan or have an overdraft facility, how much will the interest on it be and when will it be paid?

- Bank Charges

Your bank manager will give you an estimate of these and also tell you when they will be charged to your account – usually twice a year. Do not forget to allow for the duty or cheque books.

- P.R.S.I.

If you have employees, you will have to pay employer P.R.S.I. on their earnings each month. This is now 13.2% of their salary. What will it cost you each month? How much for a year?

- Packaging

Does your business use any form of packaging, wrapping paper, twine, binding equipment, bags. Etc? What is the annual cost and how much per month will you allow to cover it?

- Legal Expenses

If you intend setting up as a limited company, these may amount to €300 when you register. A business name will cost €10 to €13, and if you register as a co-operative the registration fee is €400, plus the cost of drawing up the rules (unless you go through the Liffey Trust which will let you have them free).

When you lodge your registration with your bank to open your business account, they will also charge you about €12 legal expenses. All these costs occur in the opening month.

- Audit Fees

You should provide for these in the last month of your business year. Have a talk with your accountant and get an estimate from him. You will need audited accounts to deal with the tax inspector, and to help you plan for the future.

9. Allocating Fixed Assets

Assuming all of the above fixed costs amounted to €50,000 per year and if you were producing 100,00 similar items per year then your fixed costs per item would be 50 cent. If you were producing these different items (A,B, and C) with production times that varied in the ratio of 1 to 2 to 4 then your fixed costs per item may be calculated as follows :

Item	Quantity/Year	Ratio	Total Time
A	40,000	1	40,000
B	40,000	2	80,000
C	20,000	4	80,000
Total	100,000		200,000

Then your fixed costs for all of the items will be:

$40,000/200,000$ of €50,000 = €10,000 or 25c pr item

for all of the B items: $80,000/200,000$ of €50,000 = €20,000 or 50c per item

$80,000/200,000$ of €50,000 = €20,000 or €1.00 per item

Your fixed cost should also be allocated in several different ways. They could for example be related to the amount of floor space required to produce each item. The important consideration is that the fixed costs must add up to €100,00 in this case.

10. Budgeting for Fixed Costs

When you have estimated your fixed costs you also need to establish the month in which you have to make payment to work out your cash flow. The following is a realistic example of how this might be achieved:

*** MISSING IMAGE

11. Variable Costs

Variable costs (which vary with the output) are calculated by assessing your likely volume for, the year, and dividing the costs of production by this volume. Include the cost of materials, wages and any consumable items you need.

*** MISSING IMAGE

Now if the fixed costs were €16,636 as in the previous fixed costs table then these have to be allocated to Products A & B. One method of doing this is to apportion the fixed costs in proportion to the wages costs of producing Product A (€2.50) and Product B (€2.80). Then 25/53rds of fixed costs would be

allocated to product A and 28/53 to Product B. Product A is therefore allocated 25/53, of €16,636 which is €7.85 per unit.

Product B is allocated 28/53 of €16,636 which is €3.51 per unit.

12. Selling Price and Capital Requirements

Calculate your selling price by adding fixed and variable costs together and adding a mark-up for profit. In the example below, a 25% mark-up is assumed, which gives the following results.

*** MISSING IMAGE

Before you finally decide your selling price you have to examine the market place and see what your competitors are charging. The objective is to maximise your profit.

- **Capital Requirements**

Equipment:

You must list all the equipment you will need to set up. You must name the types of machinery, the cost and their estimated life span. Remember most machines do not last forever and will require to be replaced after a certain time. Do not forget to include office furniture or transport on the list. Equipment which is being leased/hired should not be included in this section.

A sample of what this section should look like is set out hereunder.

*** MISSING IMAGE

13. Working Capital

You should estimate the actual cash requirement necessary to launch the business. This is usually done by calculating the fixed expenses for the first three months of operation, plus salaries for the same period, plus the cost of raw materials or stock for the first month.

The fixed expenses for the first three months are €(1,729 + 1,987 + 1,412)

Total €5,128 (see fixed expenses table)

Total salaries for the year were €9,500 therefore for three months we require €2,375.

Total material costs for the year are €8,000 therefore one month would be €667.

Therefore the working capital required is €8,170.

Total capital requirement is €14,159 (€8,170 + €5,989)

14. Funding

Now that you know what it will cost to set up your proposed venture, you must state how you propose to raise the money. You may have some of the equipment already, or a van, or cash. The value of all of this could represent your investment in the business. If you have already provided in the section on staff for a salary for yourself – but do not propose to take it for the first few months – then that would also increase your investment. Is anyone else investing in the business? How much? Under what terms? Are you obtaining a loan and on what terms? Will you have a bank overdraft facility which will reduce your capital requirement, and how much will this be? It is vitally important in this section to show that your business can be set up without depending on grant aid from any of the help agencies. So under no circumstances should you include them in this section.

When complete. It could therefore read something like this:

Funding required	€14,159
Investment (John White)	€4,000
Investment (Pat Brown)	€1,759
Credit Union Loan	€8,400
Total	€14,159

15. Training Exporting Licenses

- Training

Some businesses require special training for their workers. This can be an on-going process as the business expands. If your business comes under this heading, then you should set out in this section your proposed training programme, and also state if you have approached F.A.S. the Industrial Training Authority for guidance on this subject.

- Exporting

If your proposed business has an export potential, you should set out in this section a planned programme showing how you intend to enter the export market, once you have become established on the home market. For a new venture to rush precipitously into the export market almost guarantees disaster, so make sure you are well established first in the domestic market. In this section follow the outline which we have already given you in the marketing section, but with your proposed overseas market in mind.

- Licenses/Permits

Some businesses require to be licensed or to have special permits to operate. If your business does, you should state in this section what licenses or permits are required; who issues them; and what arrangements you have made to obtain them and what will be the cost.

16. Financial Projections

In this section you will be setting targets for your Enterprise which it must achieve if it is to succeed. We have laid out a Cash Flow Chart on a monthly basis so that the target for each month can be clearly seen. In compiling your projections you will have to make some assumptions and provide some guidelines so you will detail these under this heading. This section might therefore read like this.

E.g. Accountancy Notes

- Depreciation on capital equipment has been calculated on a straight line basis relative to the life span of the equipment.

- It is assumed that all transactions in the first year of operation will be strictly on a cash basis. Credit terms will not be available until a track record has been established.
- V.A.T., which is self-cancelling, has been omitted from the Cash Flow chart in the interests of clarity.
- No provision has been made in these projections in respect of any grants or assistance which may or may not be forthcoming from any of the Help Agencies – State or otherwise.

In the other sections you have already worked out how much the sales are likely to be for each month, how much the raw materials will cost and the cost of the wages of those directly involved in turning that raw material into the finished product for sale.

By arranging these figures in a particular form we get our first financial projection which is called the Trading Account.

Trading Account

Note:

The Gross Profit is the figure you get when you take the cost of sale (€18,000) from total Sales. Of course this is not the real profit as it does not take into account all your overheads and taxes. These will be accounted for in the next project.

17. Spread Sheet Example

Cash Flow Chart

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Year Total
Cash In													
Sales	2,000	2,000	3,000	3,000	4,000	4,000	4,000	4,000	4,000	5,000	5,000	3,290	43,290
Other receipts	8,170												8,170
Total cash in	10,170	2,000	3,000	3,000	4,000	4,000	4,000	4,000	4,000	5,000	5,000	3,290	51,460
Cash Out													
Purchases raw material	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000					8,000
Miscellaneous	50	0	50	50	50	50	50	50	50	50	50	50	500
Labour	790	790	790	790	790	790	790	790	790	790	790	790	9,500
Fixed costs	1,729	1,987	1,412	1,387	1,137	1,262	1,337	1,187	1,212	1,187	1,137	1,662	16,636
Other payments													
Total Cash out	3,569	3,777	3,252	3,227	2,977	3,102	3,177	3,027	2,052	2,027	1,977	2,472	34,636
Net monthly balance	6,601	-1,777	-252	-227	1,023	898	823	973	1,948	2,973	3,023	818	16,824
Accumulative Balance	6,601	4,824	4,572	4,345	5,368	6,266	7,089	8,062	10,010	12,983	16,006	16,824	

18. Profit and Loss

The balance which we call Profit Line B is the net profit before taxation and it is obtained by subtracting €16,465 from the Gross Profit of €25,790.

19. Balance Sheet

The fourth and last projection to be done is the Balance Sheet for the end of the first year. In its simple form it would look like this :

Fixed Assets		Description	Original Cost	Depreciation	Net
		Moulds & Fittings	3,150		3,150
		Compressor & Mixer	689	136	553
		Spray & Spread	150	50	100
		Van	2,000	500	1,500
		Total fixed assets			€5,303
Sundry Assets		(a) Cash in hand/hand	€16,824		
Sundry Liabilities		(a) None			16,824
Net Worth	(working capital and fixed assets)				€22,127
Financed by		(a) John	€4,000		
		(b) P. Browne	<u>1,259</u>		
		Total	5,259		
		(c) Loan	8,400		
		(d) Net profit	7,968		
		Total	€22,127		

Conclusion

General

This concludes your Business Plan for the first year apart from any back-up information which forms part of the Appendices. Please remember that it is a tool which you should use to measure the development of your project. It is not something to be left moulding in a drawer. It will need to be constantly reviewed and possibly further developed as your business grows. Towards the end of your first year and in the light of your experience you will be able to make projections for the coming year and so on. These will ensure that you will always be in control and be successful. We have stressed the importance of reaching your sales target. To stress the importance of this look at the projected figures in our example and consider what would be the effect of a 10% drop in sales. The sales figure would then drop to €38,961 ($43,290 \times .9$) and the cost of sales to €16,200 ($18,000 \times .9$) bring the gross profit to €22,761. Since there would be no alteration in either your fixed costs or depreciation your net profit would be only €5,439 a drop of 31.74%.

A properly prepared Business Plan will:

1. Help you see whether your business is likely to be viable
2. Set out guide lines by which you can develop your business
3. Give you a programme against which you can assess that development and make adjustments if and when necessary
4. Demonstrate to others (possible investors or financial institutions) the potential of your project.

The most important aspect of a Business Plan is that it should set out realistic targets that must be achieved if the business is to succeed. It must be absolutely honest. You cannot afford to delude yourself. The business will be your whole future, your life, so it must be built on solid ground. The plan must comply with the real world as it is, and not as how you would like it to be. It should chart your progress to becoming a successful entrepreneur, take account of the obstacles and say how you propose to overcome them.

It is highly inadvisable to discuss your business proposal with any person or organisation without preparing a Business Plan. First impressions are vitally important. If you need help you must prepare your presentation, in other words you must evaluate your business and prepare a Business Plan.

If you follow the guidelines hereunder you will be able to present your business idea professionally to others. Samples of each section of a Business Plan are outlined starting with the Title.