

Business Planning

Small Business Development Corporation

A completed business plan is a summary and evaluation of your business idea. It is the written result of the planning process.

A business plan shows the probability of success of the business and your ability to make it work. It provides the means to think through all facets of a business and to examine the consequences of a range of strategies relative to management, marketing, finance and people.

It is a management tool to provide guidance to you as the business owner. If you are starting a business, the process of preparing a business plan provides an opportunity to test your commitment and motivation.

Why do a business plan?

A business plan enables you to take an objective look at your business, identifying areas of strength and weakness and pinpointing needs and problems that might otherwise be overlooked. If your venture is at best, marginal, the business plan will show you why.

A well prepared business plan also provides a basis for monitoring the progress of the business.

Finally, your business plan provides the information needed by others to evaluate your venture, especially if you will need to seek external financing. A thoroughly prepared business plan automatically becomes a complete financial proposal that will meet the requirements of most lenders and investors.

Understand what business you are in

In practice most business operators devote a lot of time to thinking about the future of their business, but not all get down to formal business planning. The added discipline and focus of putting their plans down on paper and critically analysing alternative strategies is missing.

BizBasics Workshop

BizBasics is the SBDC's free, practical two hour workshop that will guide you through setting up and running your own small business. The BizBasics workbook can form the basis of your business plan. Register online at www.smallbusiness.wa.gov.au or phone 13 12 49.

Publications

Publications available from the SBDC Business Information Centre at Level 2, 140 William Street Perth, or online at www.smallbusiness.wa.gov.au, include the following titles:

Improve your financial quotient

PLU 029\$19.95

Introduction to business planning : online workshop CD-ROM

PLU 421\$20.00

Step-by-step business plan 4th edition

PLU 443\$25.00



Various formats and software packages are available for preparing a business plan. The following is an outline of the SBDC Step-by-step business plan format from the SBDC publication *Step-by-step business plan* (4th edition):

- 1. Front cover**
- 2. Statement of purpose**
- 3. Summary**
- 4. Table of contents**
- 5. The business**
 - Business objectives
 - Name, address, contact details and ABN
 - Business activity, commencement date, commencement capital and business structure
 - Competitive advantage
 - Owners' profiles
 - Major clients
 - Licences and registrations
 - Business advisors
 - Current performance
- 6. Industry analysis**
 - ANZSIC category, political/economic, social, technological, industry and competition
 - Key success factors
- 7. Product and services**
 - Product range analysis
 - Competitor analysis
 - SWOT analysis
- 8. Marketing plan**
 - Target market
 - Marketing objectives
 - Marketing strategy – product, price, promotion and place
- 9. Operational strategy**
 - Location and premises
 - Plant and equipment
 - Inventory
 - Human resources
 - Environmental strategy
- 10. Financial strategy**
 - Financial objectives
 - Capital structure
 - Statements of financial performance and financial position
 - Cashflow forecasts
 - Sales and collections from debtors forecasts
 - Purchases and payments to creditors forecasts
 - Breakeven analysis
- 11. Appendices**
 - Financial statements
 - Legal documents, leases, contacts, letters of intent
 - Research documents, patents, trademarks

For further information and guidance contact:

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Disclaimer

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