

How to write a business plan

Based on experience helping write business plans for clients back when I ran my own Chartered Accounting Practice and then of course writing my own for my various businesses and business ventures, I know a thing or two about how to write a good plan.

So here is a summary of some the key points of how to write a business plan and what you should consider putting in the report:

1. Decide on the reason for writing the business plan in the first place - be it for a bank and for lending purposes; For a proposal to investors in the business; For reporting to your board on taking your business forward etc. etc.
2. Write a plan summary before you write the main plan focusing on the emphasis of the plan, as defined in point 1. above. This will help you to develop the rest of the plan going forward and help you to decide what to include (and what not to include) within the report.
3. I feel a business plan is better to include a front cover which should include the company name with a picture of your logo and date it was prepared.
4. You can include an index/outline of the business plan after the front cover, summarising the main headings of the report, which in my opinion is always a good discipline.
5. Begin the plan with a solid introduction about the business and introduce the main purpose for the report, so the readers know why they are reading it.
6. Make sure your plan is concise and not filled with padding - do not include content for contents sake, as this will not serve your purpose. Any savvy investor will spot waffle a mile off. Only include it if it's relevant and important to the message you are trying to deliver.
7. Having said what I've said at point 5. above, do make sure you include enough information to allow your readers to understand your offering and spend a lot of time on the technical detail relating to your business. You want your business plans to be able to be as standalone as possible, but this is not to say there will be questions, because there always are!
8. Include a bit of detail around the background of your business and focus in on your competition, your strengths, your weaknesses, your main suppliers, your key markets, what sets you apart and what is your Unique Selling Proposition (USP), etc. etc.
9. Include a summary in tabular format of your main financial projections - the more detail the better on this and decide on what time frame your report is to cover. This could be from as little as a short 12-month period through to a 3-year or even up to a 7-year business plan. Of course, the time period will depend upon the reason for the plans in the first place, so for example, if you are looking for significant external capital, you'll need to put together a long-term plan of at least 5-years in my opinion, providing the projected returns for investors and so on and details about when they expect to get their money back.
10. Develop your business strategies and ideas progressively as you write the plan, which will help your readers as they work their way through your report.
11. The report should have clearly define headings and use different styles on these, including bold fonts, italicizing and even colours can help to make your plans look more interesting.

12. Make sure you include your full cash flow, profit and loss, and other detailed reports to include period end balance sheets within the reports and of course make sure the balance sheets balance!
13. Include charts and images, as the saying goes 'A picture paints a thousand words' You can sometimes get a message across with a chart or an image much more quickly, than you can with a whole list of numbers. Excel is great at preparing great looking bar charts, pie charts and so on, so use it.
14. Include CVs of yourself or of the persons that are important to making the plan 'Happen' and within the business. You want to make sure there is real credibility to your reports and that what is planned will really happen. Include within this the key players in your business.
15. Make sure you read and re-read the plans, once it is nearing completion, to make sure it makes sense and is clear of any mistakes. Have other people read your draft copy before going to final print, to make sure they firstly understand it and secondly, to have them ask those difficult questions, hopefully before the true plan audience do so!
16. Make sure you use spell checker and grammar checker on the final version before going to final print.
17. Finally, present your plan in a nicely bound report and if you can add a cover to the report to make it stand out and look the part.

Good luck with writing your business plan and with your business going forward – I hope it goes well.

Remember there is the support forum at www.bowraven.com/support/ where you can pose your questions on this subject or any other business question.