

## Structuring a business plan

Here is an outline of the structure of a business plan that's suitable for someone starting out. Under each heading, write at least one paragraph containing information about your business.

### 1. Executive Summary

This part comes first, but you should actually write it last, as it sums up all the information in the other parts of your business plan. This is the introduction that is designed to get readers interested in your business.

Summarise here: when you started your business and why; your business idea or concept; what makes your business or work better than the competition; what are the the core strengths, opportunities and achievements of your business so far. You should also include how much finance you need and who are the members of your team.

### 2. Mission and goals

Describe here your big idea and why your business exists. What do you want to achieve in the long term? What is your vision of the future? Mention your main business and creative goals here too.

### 3. Our products or services

List and describe your products and services. Start with a general description. For example: "I specialise in handmade ceramic tableware." "I create boldly coloured, graphic children's illustrations."

Use descriptive words and include your target audience too. Don't go into too much detail, and group your products or services as much as possible. Also include some indication of your prices or fees.

If you have more than one customer for the same product or service, make that clear. For example: "Our magazine delivers to our readers XXX, and to our advertisers YYY."

You can include a couple of good images of your work to illustrate what you do.

### 4. Our clients

List the different client groups and define them clearly. For example: "We specialise in graphic and web design for cultural events and venues." "I create brightly coloured plastic statement jewellery for women who want to stand out in the crowd and celebrate life."

Describe your potential individual clients as well as trade clients, such as retailers, interior designers, commissioning agencies. Give some specific names of the kind of trade clients you are working with or would like to work for. Make it clear whether or not you currently stock there. For example: "I would like to stock our stationery in John Lewis, Liberty's and regional department stores."

It is essential that you can describe who buys your work and why. You might need to do some market research to find out in more detail who your clients will be. Any proof of existing sales or commissions is very useful in a business plan to convince your potential financiers to give or lend you money.

### **5. Product and service development plans**

If you are a new business, you may not yet have any products or sales, so it is a good idea to include some of your products or services that are in development. Explain what stage you are at with your business and what you are doing to achieve your goals. Describe how your products will be manufactured, what new product ranges you are developing, what research you have done. Include a realistic time scale and financial forecast.

### **6. Marketing plan**

Describe here how you will be reaching your various client groups, how they will buy from you, how you maintain contact with them, what marketing you will do. Describe where and how you will be promoting and selling your work – for instance, your own website or online shop, portfolio sites, (online) retailers, fairs, events, exhibitions.

If your numbers are good, then also include how many contacts you have in your database, how many visitors you have to your website, and how many twitter followers or “likes” on Facebook. If you have had good media coverage, then include links or attach the cuttings in the appendix of your business plan.

You really need to show potential financiers that you understand your market and your clients’ needs, and to demonstrate that you will be proactive in marketing yourself and your work.

Also include some specific marketing goals and activities that correspond with your financial forecasts. If you want to earn £15K a year, explain what specific marketing activities you will be doing to reach that goal.

### **7. Our competition and market**

You are not the only one designing jewellery or starting a graphic design agency. It is good to have competition, and it is important to show that you understand the market you are operating in.

List and describe your top five competitors who create similar work to yourselves for similar client groups, and at similar price points to you. Include the products or services they sell that compete with yours, list their strengths and weaknesses as a business, list the advantages and disadvantages of their products and services.

Then describe your competitive advantage, showing what makes your products or services better and describing the strengths of your business. Describe what governmental, legal, social or technical trends might be impacting on your business and industry. How will you use these trends to your advantage, and how will you minimise risk or overcome the risk of the impact of others? Keep it short, you can give more details and refer to the SWOT and PESTLE analysis in the appendix.

This part will help your potential financier to understand your market and industry quickly, and it will demonstrate that you know who your competitors are and how your business stacks up against them.

### **8. Our assets**

Provide an overview of your assets, such as any property or equipment that you own or lease, any intellectual property (such as copyrights, patents, registered designs, trademarks), your brand recognition, the size of your database.

This is to give potential financiers some idea of your financial security.

### **9. Our people**

Describe when your business was founded and why you started it. Think about it from a client and a commercial perspective, not just your own.

List who is involved in your business and what their responsibilities and activities are. Include any relevant background information and any expertise they bring to your business. Start with yourself but also include any partners and others you work with regularly. Even business advisors or mentors who you work with regularly can be useful to increase the credibility of your business, so include them too.

If you have any key strategic relationships with suppliers or clients, include these in here too.

### **10. Finances**

This is the most important part of the business plan, and many financiers will look at it first. You need to include spreadsheets with detailed income and expenditure forecasts for the first two years, and possibly a (quarterly) cash flow forecast too.

State clearly how much money you have invested in the business (from your own savings, or borrowed from friends or family). Be clear how much money you need to borrow and how you will pay it back. Also explain how you will use the funding in your business and how this will make you more competitive, lower your costs or improve your marketing.

Also give information about other sources of income you might have (such as a part-time job, savings, income from partner or parents), any major orders from retailers or confirmed project commissions, and any other (confirmed) sponsorship or grants.