

THE BUSIENSS PLAN (2.9)



Business Plan

Definition

This is a plan given to a financial institution when a business is looking for a loan

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Why a bank looks for a business plan

because it will show them the following

1. The history of the business
2. Where the business gets their income from
3. What the business does
4. Will they be able to pay the loan back

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Setting Plans

Definition

1. When setting plan the business should make them SMART.
2. The stand for Specific, Measurable, Achievable, Relevant and Timed

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SMART

- Specific** - The goal should be clear
- Measurable** - You must know when the goal has been achieved
- Achievable** - The business must be able to reach the goal
- Relevant** - The goal must be worthwhile for the business
- Timed** - There must be a target date for the goal to be achieved

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SWOT Analysis

Definition

This identifies the Strengths, Weakness, Opportunities and Treats of a Business

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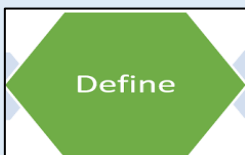
Strengths and Weakness

Definition

1. These are internal and the business shas control over them.
2. They are positive Factors

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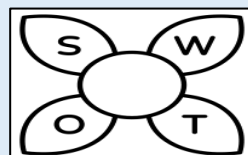
Opportunities and treats

Definition

1. These are external, and the Business does not have control over them.
2. They are negative factors

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Example of SWOT analysis

- Strengths - These may include a recognised Brand and Quality product
- Weakness - These may include staff and price
- Opportunities - Expanding into other markets
- Treats - Competition or other business entering the market

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The section of a business plan

1. Background of the business
2. The business team
3. Market and Marketing
4. Production
5. Costing and Finance
6. Structure of the business

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Section
1

Background of the business

This section contains items such as

- Aims and objectives of the business
- The name and address of the business

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Section
2

The business team

This section has the names, qualifications and experience of the people involved in the business

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Section
3

Market and Marketing

This section looks at

- the size of the market
- the marketing mix strategy

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Section
4

Production

This section looks at

- How the product will be produced (Job, Batch or mass production)
- The equipment needed to product the product
- Where will it be produced - Premises

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SECTION
5

Costing and Finance

This section looks at how the business will be financed

- The amount of finance needed and what will it be used for
- How will this finance be repaid?
- A copy of the business financial statements (Cashflow forecasts, income statements and statement of financial position for at least 3 years)
- Any existing loans the business has
- How much it will cost to produce

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SECTION
6

Structure of the business

This looks at the legal structure of the business

- Sole-trader
- Limited Company
- Partnership
- Private Limited Company

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