

# Business plan template and guidance

## What this guide is and who it's for

This template is designed to help all types of community organisations wanting to write a business plan for a new business idea. It includes the structure you should follow and guidance on what to include in each section of your business plan.

## Business plan structure

### Executive summary (the plan on one page)

This section should give a one sentence summary of all the sub-sections below, so the reader can see all the key information on one page. It should draw the reader in – think of it like the ‘elevator pitch’ on paper for your business idea. This section should be written last.

### Objectives and goals

Tell the reader what the purpose of the business is, what problems it seeks to resolve and the targets you have. Include critical success factors and alternative scenarios. Include your organisational vision, mission and values.

## Background and context

This section should include all the relevant external information that will impact the viability and design of your business model. Suggested subheadings are:

**External environment** - A PESTEL analysis is useful here (Political, Economic, Social, Technological, Environmental and Legal)

**History** - Any relevant information about the history of this issue and other approaches that have been used

## Competitor analysis

Who else in your local area is aiming to meet the same customer need as you? (note: this might not be the same product as you. For example, the customer need of affordable childcare could be met by a nursery, or a nanny service, or a group of local mums sharing childcare). What are their business models? Which are working well, and which are working less well, and why? Why would your customers choose your offer instead of your competitor's offer?

## Market research

You need to demonstrate that there is a need for your business idea and that there are customers who are willing to pay for it. It's best to have done some market research that you can add here as evidence – anything that shows that your potential customers will want and need what you are planning to produce. Make sure you draw conclusions from the market research – what did it tell you? It's also useful to show your understanding of different types of customers and how you will meet their needs.

## Your offer and USP

Describe the different products/services you will offer and the branding you will attach to these. Keep it customer and solution focused. Make sure you include your Unique Selling Proposition (USP) – this needs to be based on your market research about what your customers want.

## Social purpose

What is your social/environmental purpose? How will you balance this with generating money? What values will be inherent in your model and how will you capture and broadcast this to your customers?

## Locality community engagement

As a community organisation, it's important to involve local people in the design of your business idea. Outline how you will engage with the local geographic community.

## Strategy for earning income

How will you attract customers and earn income? How will you keep customers loyal and attract repeat business? Think about pricing strategies, segmentation of audiences and plans for the future. Cover different methods of generating income from the assets that you have, to bolster cashflow, including through lean months.

## Finances

One of the most important sections.

- Show a long-term cash flow projection and include a narrative explaining it.
- Include overheads and your fixed and variable costs.
- Show your predicted turnover, break-even points, and the projected profit and loss.
- Include any capital, revenue and investment needs.
- Have different scenarios of how many sales you will need to break even.
- Include notes detailing the assumptions made to costs and income.

Find the right level of detail for the scale of your plans, so the reader is left convinced rather than asking questions.

## Resources

Detail resources, assets, systems and equipment needed. What organisational systems are needed to support this plan, like financial, payment systems, CRMs, data, technology, HR, quality and security.

## People

Think about the skills and background of your staff and volunteers. Consider profiles of trustees/directors and key personnel. Think about how this will need to evolve as the business grows and changes. Who are you reliant on to make this business work, and what will happen if they move on?

## Partnerships

For community organisations, local partnerships are often important for success. Outline any local organisations or businesses you will need to work collaboratively with to make the model work. Think about those that could help you sell your product/service (through cross-promotion, for example) and those that could help you enhance your product/service offer (through adding a follow-on service, for example).

## Route to market

How will customers find you? This covers distribution tactics, marketing strategies, repeat sales and ongoing communications. What social media will you use, how will you make a splash, build loyalty and remain relevant to customers?

## Risks and mitigations

What are the main risks, their impact, and how can you mitigate or manage these?

Risks	Potential impact	Likelihood	Mitigation
Risk one	High	High	
Risk two	Medium	Low	
Risk three	Low	High	
Risk four	High	Medium	
Risk five	Low	Low	
Risk six	Medium	High	

## Governance and legal

Demonstrate that you have considered relevant legislation and you have plans for the suitable types of insurance required. Consider the legal structure your enterprise will use.

## Specific to your business

Each business and industry is different. Include any sections that will add weight to your case with the target audience. Think about any relevant trade bodies, industry events and publications.

## Timing and roll-out

Think about the roll-out of your offer. Add an overview of the proposed timing for implementing the business plan. List each activity and the timing – a simple table like the one below is useful.

	Month								
Activity									
Activity									
Activity									
Activity									
Activity									
Activity									