

BUSINESS PLAN

(business name)

Prepared by

(name)

(date)

TABLE OF CONTENTS**Executive Summary****1. The Marketing Plan**

- 1.1 Environmental Analysis
- 1.2 Product(s)/Service(s)
- 1.3 Customer Demographics
- 1.4 Competition and Competitive Advantage
- 1.5 Price Strategy
- 1.6 Advertising and Promotional Strategy
- 1.7 S.W.O.T. Analysis
- 1.8 Market Research
- 1.9 Market Targets

2. The Operations Plan

- 2.1 Business Structure
- 2.2 Scope of Operation
- 2.3 Regulatory Issues
- 2.4 Insurance
- 2.5 Business Premises
- 2.6 Location
- 2.7 Production Arrangements
- 2.8 Distribution (Place) Arrangements
- 2.9 Credit Terms
- 2.10 Plant and Equipment
- 2.11 Quality Control
- 2.12 Memberships and Affiliations
- 2.13 Communications
- 2.14 Trading Hours
- 2.15 Commencement Date

3. The Organisation Plan

- 3.1 Organisation Structure
- 3.2 Skills Required
- 3.3 Personnel
- 3.4 Resumes

4. The Financial Plan

- 4.1 Financial Strategy
- 4.2 Establishment Costs and Source of Funds
- 4.3 Balance Sheet Projections
- 4.4 Profit and Loss Projections
- 4.5 Expected Cash Flow Projections
- 4.6 Break Even Cash Flow Projections

Appendices

EXECUTIVE SUMMARY

This section should be completed **AFTER** the business plan is finished. It is a **ONE PAGE SUMMARY**.

Introduction

The **Introduction** is the readers first impression of the business and should cover the following areas briefly but informatively:

- the business name
- the business structure
- key personnel and their relevant experience
- description of the product and/or service
- its current market position and the potential for growth
- the business' objectives both in the short and long terms
- the reason the business will be successful
- financial projections
- funds sought and usage

(1 - 2 pages)

1.2 Product(s)/Service(s)

- A full description of the range of products sold and/or services offered, emphasising differences, improvements, innovations etc. compared to other products/service on the market.

1.3 Customer Demographics

- Indicate who your customers will be in each segment, their age, sex, lifestyle, interests, geographic location.
- How many are there in the areas you are going to service?

1.4 Competition and Competitive Advantage

- List three of your major competitors.
- Make a realistic assessment of their strengths and weaknesses.
- How will you address their strengths and capitalise on their weaknesses?
- How many staff do they have?
- How long have they been in business?
- What position do they have in the market? (E.g. quality, price, service).
- Do they have a waiting list for their product/service?
- Indicate why you think people would change their current buying habits to become your customers.
- How will your competitors react when you enter the market?
- Will your business have any adverse effect on other competing businesses?
- What is your competitive advantage?

1.5 Price Strategy

- What pricing technique will you use? Explain why.
- What are your prices? Include a list of prices.
- Classify your goods and services (ie, GST taxable supply, GST free or input taxed)

1.6 Advertising and Promotional Strategy

- List the methods you will use and the cost of bringing your product/service to the attention of prospective customers, e.g. in which publication will you advertise.
- Will you use direct marketing campaigns, if appropriate.
- What promotional literature will you be developing, i.e. flyers, etc.
- What other promotional tools will you use?
- Prepare a timetable for 12 months of all promotional activities, remember to include the costings in your cash flow.

TASK	DATE REQ'D	COST	EXPECTED RESULT
TOTAL COST			

1.7 S.W.O.T. Analysis

- A grid identifying your Strengths, Weaknesses, Opportunities and Threats.
- Include a discussion of how you will take advantage of the strengths and opportunities and what action you will take to counter the weaknesses and threats.

<i>Strengths</i>	<i>Weaknesses</i>
<i>Opportunities</i>	<i>Threats</i>

2. THE OPERATIONS PLAN

2.1 Business Structure

- Indicate whether the business will be a sole trader, partnership, company or trust structure.
- Why has this structure been selected?
- What are the advantages of this structure for your situation?
- What business name are you going to use?
- Has the business name been registered?
- Will the business require an Australian Business Number (ABN)?
- If so, include a copy of the certificate as an appendix.

2.2 Scope of Operation

- How big is your business?
This can be measured by
 - how many employees you have
 - the expected level of turnover
 - the areas you are going to service (local, all of NT, Australia, International)

2.3 Regulatory Issues

- Discuss any Local, State or Commonwealth Government regulatory requirements that will be required by your business (e.g. Council approval, health and safety permit, etc).
- If applicable, indicate any patents or other proprietary features of the product or service.
- Is the business required to register for Goods and Services Tax (GST)?
- For further information on qualifications and other regulatory requirements for setting up business, contact the Territory Business Centre on (08) 8924 4280 or 1800 193 111.
- Include a copy of the **BLIS Report** for your business from the Territory Business Centre.

NB: A householders insurance policy will not cover business assets, unless specifically indicated as an addition to the policy!

2.4 Insurance

- Provide an estimate of applicable insurance requirements for your business. Quotations from an insurance company can be included as an appendix.

NB: Workers’ compensation insurance is compulsory if you employ staff.

2.5 Business Premises

- Provide lease/rental details - landlord/agent, setup costs, bond, rent outgoings.
- Preferred location of the business (consider several in case the first option is not available)
- Provide a sketch indicating the layout of the premises (include maps where relevant).
- Provide a description of the facilities required to operate the business, i.e. 3 phase power, etc.
- Also include the expected running and maintenance costs.
- If applicable, provide details of security, power, water.

2.6 Location

- Where are the premises?
- Why have you chosen this particular (geographic) location?

2.7 Production Arrangements

- How will the product/service be produced?
- Including a monthly activity schedule.
- If applicable, describe the process involved in producing your product (including any **sub-contractors** and/or **suppliers** of raw materials.
- If relevant, discuss any waste disposal. What type of waste is involved, how do you plan to dispose of it and at what cost? (Compliance with Government regulations regarding waste disposal should be investigated).

2.8 Distribution (Place) Arrangements

- How will the product/service be distributed?
- Describe the facilities required to sell and distribute your product/service (e.g. will you sell it yourself or will you use agents or distributors).
- If relevant, discuss any margin to be given to sales representatives, retailers, distributors or wholesalers and identify any royalties or commissions you will have to pay.

2.9 Credit Terms

- What credit policy will be adopted and what is the standard for your type of business?
- If any, what credit terms have you arranged with your suppliers.
- If any, what terms will you offer your customers.
- Do you credit terms fit in with your GST reporting cycle (cash flow)?

2.10 Plant and Equipment

- List the plant and equipment necessary to start production or to provide the services offered.
- Indicate equipment suppliers purchasing or leasing and the time required to order and install equipment.
- Also indicate the expected running and maintenance costs.

<i>Equipment</i>	<i>Already Own \$</i>	<i>Purchase \$</i>

2.11 Quality Control

- What measures will you put in place to ensure that all work is to the standard you require?

2.12 Memberships and Affiliations

- Are you a member of any relevant associations (e.g. Industry associations, Chamber of Commerce etc.)?

2.13 Communications

- How will you be contacted?
- What communication systems will you use (e.g. phone, mobile, fax, web/internet, etc.)?
- Include numbers.

2.14 Trading Hours

- What will your trading hours be?

2.15 Commencement Date

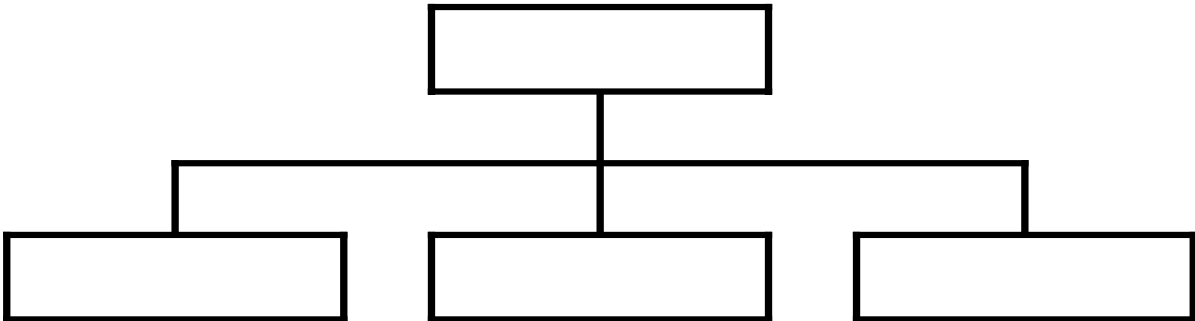
- When will you start the business?

3. THE ORGANISATION PLAN

3.1 Organisational Structure

- What positions are there in the business?
- Include diagram of structure, if required.

Organisation Chart



3.2 Skills Required

- What skills are needed for each position?
- Do you have them now?
- If not, what will you do to get them?

3.3 Personnel

- Who will fill each position?

3.4 Resumes

- Include brief resumes of the main personnel. (If they are detailed, it is better to include them as an appendix.)

4.2 Establishment Costs and Source of Funds

ITEM	ALREADY OWN OR PAID \$	OWN FUNDS \$	OTHER LOANS \$	TOTAL \$
ESTABLISHMENT COSTS:				
Accountant Fees				
Solicitor Fees				
Advance Rent/Lease Deposit				
Initial Insurance Premiums (list)				
Advertising & Promotion				
Telephone Installation				
Printing/Stationery				
Registration/Licenses (list)				
Initial Workers Compensation				
Other				
EQUIPMENT PURCHASES:				
Equipment / Machinery				
Vehicles				
Mobile Phone				
Fax Machine				
Other				
Other				
Other				
Other				
INITIAL RAW MATERIALS				
WORKING CAPITAL				
TOTALS				

4.3 Balance Sheet Projections

- Include a balance sheet (for commencement) and discuss.

Current Assets	Current Liabilities
Fixed Assets	Long Term Liabilities
	Owner's Equity (Proprietor's Funds)
Total Assets	Total Liabilities + Equity

4.4 Profit and Loss Projections

- Include a projected profit and loss at end of first 12 months and discuss

	Amount (GST inclusive)	GST component
(A) SALES		
less Cost of Goods Sold		
less GST collected		
(B) GROSS PROFIT GST exclusive		
OVERHEAD COSTS		
Accounting Fees		
Advertising		
Bank Charges		
Bank Interest		
Depreciation		
Electricity & Gas		
Equipment Hire/Lease		
Insurance		
Legal Fees		
Motor Vehicle Expenses		
Postage, Telephone & Fax		
Stationery		
Rent		
Repairs & Maintenance		
Security		
Sundries		
Superannuation		
Transport/Courier Costs		
Wages		
Workers Compensation		
Other		
Other		
(C) TOTAL OVERHEAD COSTS		
less GST on overhead costs		
(D) NET PROFIT GST exclusive		

My Business - MONTHLY SALES ESTIMATES															
Month:	GST inclus.	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL	Next year
Product	Price														

4.5 Expected Cash Flow Projections

- Present full cash flow chart based on your market targets for the first 12 months and for the second year in total. Discuss.

NB: GST inclusive

My Business - CASH FLOW FORECAST														
Month:	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL	Next Year
Income														
Product/Service														
Loans														
Personal Funds														
Other Income														
TOTAL INCOME														

My Business - CASH FLOW FORECAST

Month:	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL	Next Year
Expenditure														
Stock														
Accounting														
Advertising														
Bank Fees														
Electricity & Gas														
Insurance														
Leasing														
Legal Fees														
Motor Vehicle Exp.														
Postage, Phone, Fax														
Rent, Rates														
Repairs & Maint.														
Security														
Sundries														
Superannuation														
Transport/Courier														

Month:	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL	Next Year
Wages														
Workers Comp.														
Other 1														
Other 2														
Other 3														
Other 4														
Other 5														
Other 6														
TOTAL EXPENDITURE														
Surplus/Deficit														
Opening Balance														
BAS/GST (payment or refund)														
Business Position														
Less Drawings														
Cash Position														

4.6 Break Even Cash Flow Projections

Present full cash flow chart based on the minimum level of sales required to achieve the break even point as determined by you for first 12 months only and discuss.

APPENDICES

Examples of, but not limited to, the following:

- Appendix A Questionnaire used in market survey, and list of people surveyed
- Appendix B Photographs of processes and equipment
- Appendix C Contracts with suppliers, major customers
- Appendix D Lease documents
- Appendix E Business name registration
- Appendix F Insurance documents
- Appendix G Resumes of key personnel