

10 Tips on Preparing Your Business Plan

As the Cheshire cat from Alice In Wonderland once said “If you don’t know where you are going then it doesn’t matter which path you take.”

The business owner should always be working towards a goal. All too often businesses lack direction and are allowed to ‘drift’ from one year to the next. Without a long term objective and focus on how the objective will be attained the business will risk stagnation or decline.

The output from planning process should provide more than words and numbers.

There should be:

- ownership of the key deliverables in the plan
- an agreed process of review of actual results
- a process for taking any necessary corrective actions.

Your business plan should provide you with a blueprint for the operation of your business and help you monitor progress against your objectives. It is very much a document for you and your business. If you are not sure how to go about preparing a business plan then the following tips may help.

1. Your plan should include short term and medium term objectives. It should set the direction for your business both for the immediate future and perhaps three or five years ahead.
2. Your business plan should be realistic and achievable. There is absolutely no point in setting yourself unrealistic goals.
3. Try to keep the plan as simple as possible and do not overcrowd it with unnecessary technical detail. The plan should broadly be looking at where your business is now, where it wants to get to both short and medium term and how it is going to get there.
4. Encompass all areas of your business, including your objectives, your market, your product or service, pricing and costs, premises and equipment, personnel and your marketing strategy.
5. Involve key employees in your business plan. Some aspects of the plan you will wish to keep to yourself but make your employees aware of your key business goals and get them actively involved in achieving them.
6. To be effective, a business plan should be regularly reviewed and updated. It is more than likely that events will overtake your original plan and periodically you will need to review your strategy and change your plan in some way. It should therefore be used as a living document, constantly referred to, monitored and reviewed.
7. Include financial projections including profit and loss and cash flow forecasts. In addition interrogate the information you have about your company’s past performance to give an indication of potential future trends.
8. Producing a business plan can be a daunting task but outside help is available and Sollertia would be more than happy to assist.
9. If you prefer to ‘go it alone’, you may find some of the bank produced guides helpful. Some of these guides include a business plan form which can be adapted to suit your needs. Alternatively, you may wish to involve your accountant or financial adviser in putting together your business plan.
10. Finally, once you have produced your business plan, give copies to the people who have a vested interest in the success of your business. This will include in most instances, your bank. When seeking new finance the quality of your business plan is very often a key factor in the bank’s assessment of the viability of your business and your proposal. It certainly does not harm to keep your bank advised as to how your business is progressing.

*Sollertia provides a comprehensive business planning service.
Contact us today to find out how we can meet your requirements.*



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