

## YOU REALLY DO NEED A BUSINESS PLAN

### Making A Success Of Your New Venture

DTI statistics show that more than half of all new businesses fail within the first three years. Firms that receive advice and guidance are more likely to survive and perform better than those that don't. Colbea has been around for 30 years and has a long and enviable reputation for successfully guiding would be entrepreneurs into operation and helping them build thriving enterprises

New business come in all sorts of types and sizes; from a one person operation running from home through to very large, complex, high tech operation with large numbers of staff. Regardless of the size and nature of your business you need to plan its launch carefully. It is the act of planning, rather than the plan itself that will make the launch easy and your business successful. Like businesses, business plans come all different shapes and sizes. For small, simple businesses the plan will be little more than a list of things to do. For bigger business you will need a formal structured written plan.

If you need to borrow money from the banks, or are looking for outside investment you will need a formal business plan. The banks provide structures and examples in their information packs, it is best to use these as it will provide the bank all of the information that they require in a format that they are comfortable with, but for smaller scale businesses a slimmed down version is usually acceptable. Whatever the size of your business, careful research, good planning and quality advice before you start is one of the keys to success.

## Preparing Your Plan

### Research

Do your background research.

- What is the size of your market place?
- Is demand for what you are proposing to do growing or reducing?
- Are new technologies, legislation, or social changes creating new opportunities or overtaking existing ones?
- What products and services are already in the market?
- Who are your competitors and if there are none, why not?
- What do your competitors charge?
- What do they do well?
- What do they do badly, this will tell you where you might be able to do better?
- Who are your customers likely to be and who would you like them to be?
- Do customers buy once only or is there potential for repeat trade?
- How do your potential customers find out about the services and products that you will offer?
- What will your raw material costs be?
- What will your overheads – insurance, rent, wages etc., etc., - be?

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## Planning

- Set objectives for your business, what do you realistically expect to achieve in the first year and ideally for the following 2 or 3 years.
- Use S.M.A.R.T (Specific, Measurable, Agreed, Realistic, Time bound) targets. Turnover, profit, number of customers, numbers of staff etc.
- Set personal objectives and consider the level of commitment and involvement you and your family are prepared to make.
- Having a clear picture of where you wish to take your business enables you to fill in the more of the detail. For example knowing how many staff you will employ and what equipment you need defines the size of premises required.
- Once you have set your objective for your business you can decide your strategies for getting there. If you are running a mobile hairdressing service, your key strategy may be to develop a core of regular customers by giving excellent service and high value for money, working within a local area. Alternatively if your business is a high tech on line retail e-business, your key strategy may be to constantly upgrade your technology and systems.
- This in turn will enable you to identify the resources that your business needs, money, equipment, premises, staff, knowledge etc.
- At this stage prepare your financial projections, for small, cash businesses with little stock this needs be little more than an estimate of potential profit and loss. For bigger, more complex businesses the need is to prepare capital purchase statements, full budgets and cash flow forecasts.

The next phase is to develop action plans. The basics of an action plan remain the same regardless of the size of the business:

- What needs to done?
- Who will do it?
- In what timeframe?
- What resources will be required?
- Preparing an action plan will help insure that jobs get done in the right sequence and that things don't get left off.

For even the smallest of business an action plan will greatly ease the launch of your business and for bigger, more complex operations it is essential.

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