



How to Write a Business Plan

CREATING A SUCCESSFUL BUSINESS PLAN

Learning how to write a business plan is an integral step in transforming your business from an idea into something tangible.

A business plan isn't just for the entrepreneurs looking to get a business loan though.

It can also help inform decisions – used as a management tool to aid you in outlining and achieving goals, providing analysis that can empower you to stamp your business success!

This guide will teach you how to write a business plan and break down some of the most important aspects of a successful business plan.

What is a Business Plan?

A business plan refers to a document that describes your business.

It aims to outline the operations, directions, goals, finances, management, future planning and any other details essential to the success of the business.

Business plans can be tailored towards investors, in an effort to raise capital, or it can be used as an internal document designed to provide direction and align teams.

What is a Business Plan?

While there is no concrete format to follow when learning how to write a business plan, the following 6 essential elements should be included:

(This is a short breakdown of a business plan outline, it's up to you to decide which other elements will be relevant for your business plan, and how in-depth you wish to go for each)

1. EXECUTIVE SUMMARY

No longer than a page, the executive summary is a brief overview of your business and your plans.

Although it's the first part of your business plan, most people opt to write it only after their plan is complete.

(This makes sense, as the executive summary is an outline of what's to come in your business plan.)

Think of the executive summary as a stand-alone document that highlights the important aspects of your detailed plan.

If your business plan is tailored towards investors, you may find that they initially only ask for this executive summary. It gives them a summarised rundown, if they're interested they will then request the detailed business plan before moving forward.

If your business plan is intended for internal use, use the executive summary to describe what you hope to achieve and how the plan will help align your team.

Your executive summary should include the following:

- **Business Concept:** The fundamental idea behind the business (also describe the problem your business aims to solve)
- **Business Goals:** What has your business achieved, and what does it hope to achieve?
- **Your Product or Service:** What do you sell – and what differentiates it from competitors?
- **Your Target Market:** Who are you selling your product or service to?
- **Marketing Strategy:** What ways are you planning on reaching your target market?
- **The Team:** A brief introduction of who's involved in the business

If the goal of your business plan is to raise money, you should also include the following:

- **Current Financial State:** Your current revenue
- **Projected Financials:** Your predicted future revenue
- **Funding Requirements:** How much money are you asking for from investors



2. PRODUCT AND SERVICES

When mapping the outline of your business plan, it's important to understand the importance of the products and services section.

This is where the real 'meat' of your plan will be found – it will delve deep into your products or services, describing how it fits into the competitive landscape.

Begin by describing what you sell, focusing on the problem that you're solving for your customers.

Here you can also provide an outline of your competitors, using this section to elaborate on what makes you stand out (your competitive advantages).

This makes it possible for you to determine both the strengths and weaknesses of your business and your competitors.

Here you can also go deeper into the next steps required for you to get your products or services ready to sell (or elevated), with target dates.

You can also use this section to discuss any key milestones your business has already achieved.

3. MARKET ANALYSIS

Research is key when learning how to write a business plan!

In this section you'll provide in-depth information about your customers (your target market), as well as supply information about the growth of your specific market and industry.

Analysing your target market and the landscape of your industry will make it much easier to create sales and marketing plans for success.

Be as specific as possible when describing your target market, and if relevant, break them down into various market segments.

Market analysis should include aspects such as the growth, size, risks, history and future potentials of your specific market.

Discuss and explain ways that your business is set up to capture the market (and surpass your competitors).

4. MARKETING AND SALES

While the market analysis section above identifies your market and target audience, the marketing and sales section should detail how you plan to reach and sell to your audience (and your various market segments).

Breakdown ways that you plan to promote your business, what marketing avenues you'll use, how you'll attract new customers and how you plan to retain them.

The marketing and sales section of your business plan should also include the costs and logistics of getting your products or services ready for sale.

Also note any potential obstacles that your business may have to overcome during this process.

This section of your business plan may also be a good place to include a SWOT analysis.

Your SWOT analysis breaks down the strengths, weaknesses, opportunities and threats of your business, initiatives or industry.

We'll delve deeper into the process of doing a SWOT analysis at a later stage - be sure to subscribe to our mailing list to stay up-to-date!



5. MANAGEMENT AND ORGANISATION

This section is especially important if your business plan is tailored towards investors.

Inform your readers about who is running your company, your organisational structure, the daily operations of your team and your physical location.

If you're already up and running, you can also include a brief history of your business.

Also include information relating to who you still need to hire and the expected timelines.

Investors aren't just investing in your idea, but also in your team – so show them why your team is the right one!

With this in mind, be sure to include in-depth information about each key member of your team, such as their experiences within the relevant industry and what they bring to the table.

Where applicable, discuss previous accomplishments and entrepreneurial successes of your team.

Lastly, the management and organisation section should also describe how the business is owned.

This includes aspects such as: how is ownership divided, internal structures (through your organisational chart), roles and responsibilities of your members as well as relationships between them.

6. FINANCIAL PROJECTIONS

It's vital that your potential investors understand the finances involved in running your company, as well as how you're projected to perform going forward.

If the aim of your business plan is to entice investors for funding, be sure to outline exactly how much money you need, and where this money will be used (and how you plan on paying it back).

Though the details required in this section will depend largely on your audience and the main goals of your business plan, you'll typically want to include an income statement, a balance sheet and a cash-flow statement.

While this may feel like a daunting task, Win Accounting makes it easy, offering a large number of financial statements and reports at a click of a button!

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