
BUSINESS PLANNING EXPLAINED

You wouldn't build a house without having a plan . . .

A business plan is an important document for your business or business project. **John Turner** at **Burgh House** explains why.

ABOUT BUSINESS PLANS AND PLANNING

WHAT IS A 'BUSINESS PLAN', AND WHY DO I NEED ONE?

A business plan is an important document for your business or business project. Whether you are considering an entirely new business, or changes to an existing business, you should operate to a well thought out and researched business plan.

As well as giving you confidence that your business idea can be realised, a quality business plan can be used to explain your business idea to potential investors and business partners, convincing them that your business is based on sound research and realistic plans.

And the process of asking questions about your business to draw up the plan often reveals gaps in your thinking at a time when they can be easily addressed (though to get the full benefit of this it is helpful if someone outside your team is asking the questions). Otherwise these flaws might only come to light during implementation of the plan, when it may be much more costly to address them.

Your business plan sets out what your business aims to achieve, and how it will achieve it. It looks at what other businesses are doing, both competitors and likely partners, and it looks at what customers will want from your business. It sets these against the skills and experience that you and your management team bring, and ultimately shows, given the research you have obtained and any listed assumptions you have made, how well your business will succeed.

DO I NEED A FANCY DOCUMENT?

Ultimately it should be your plan that matters, not how well it is presented. But investors, such as banks, and business partners are busy people. To get their support it is best if they can easily read and understand your plan and their proposed part in it. A well structured and presented business plan achieves this.

Good presentation also shows that you are serious. A plan that is poorly documented will often be taken to be a poor plan or one in which the business has little faith.

Good presentation cannot turn a poor plan into a good one, but it can make sure that a good plan is recognised as such and given the attention it deserves.

TIPS AND TRICKS

1. You can download free business plan templates from the Internet, but we don't recommend them. Every business or business project is different, so there is no standard form for a business plan that works for all. You can't just tick boxes on a form and expect it to challenge your thoughts and then show your business idea at its best.



2. Spend the time to get the best possible data about the economic environment in which your business will operate. Up-to-date facts are better than assumptions, and fact-based assumptions are better than pure guesses.
3. Don't become 'a slave to the business plan'. Things change and your business must adapt to them. Just because your plan envisaged a certain action at a certain time, make sure the logic and assumptions behind the plan remain true before you proceed. If not, don't just carry on heedless . . . revise the plan.
4. Further to the above, don't try to plan too far ahead. After a fairly small period of operation, changes in the economic environment will almost certainly invalidate a few, or possibly even all of the assumptions you made when you drew up your plan. So don't attempt a detailed plan that goes beyond when your assumptions are likely to hold valid as to do so wastes your resources, and may give more naïve readers a false sense of certainty, leading to dissatisfaction at a later date. Plan for the longer term, but only in outline.
5. Don't be afraid to seek outside assistance. This is not a failure on your part; it's a sensible approach. Most of the world's top companies use outside advisors to help them formulate and review their business plans.

OK, I NEED ONE. HOW DO I GET ONE?

If you are comfortable with structured strategic business planning, and you have the time and the skills to produce a quality document, you will find no difficulty in preparing a business plan yourself. However, you may appreciate having the plan reviewed by someone who is independent of your business, who can spot the questions you haven't answered and the issue(s) you haven't addressed before you find out about these the hard way.

You may prefer to have someone write and produce the plan for you, based on discussions with you and your business partners and research done on your behalf.

Whichever approach you prefer, Burgh House Limited is keen to help.

Our experience ensures that you will ask the right questions about what your business should do and can achieve; obtain sensible and reliable answers to those questions; and then document these in a format that both you and any potential partners and/or investors will readily understand and find convincing.

HOW BURGH HOUSE LIMITED CAN HELP

WHAT WILL MY BUSINESS PLAN CONTAIN?

When Burgh House Limited prepares a business plan we structure it in a way that makes it easy to understand, for both you and anyone else you need to read it. A business plan prepared by Burgh House Limited would normally contain:

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| <p>An introduction and executive summary</p> | <p>This allows the person reading the document to get a quick idea of the general plan before they delve into the detail. Our experience shows that this helps them to understand that detail better.</p> |
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| A description of your business concept | This makes sure the reader knows what you are intending to achieve, before they get into how you are going to achieve it. |
| Information about you and your management team | Our experience shows that people are as interested in the 'who' as they are in the 'what'. This section builds their confidence in you and your team. |
| Your plan | This is where the plan explains to the reader how you are going to go about achieving your business aims and objectives. |
| The research on which your plan is based | Your confidence in your plan will not be based just on 'gut instinct'. This section sets out the research you have done, into the market, the competitors and the potential partners, to show that you plan can succeed in the real world. |

Other sections may be added to meet specific needs. For example:

- If you are using your business plan to seek finance, either as a bank loan or from equity investors, your plan will also give detail on how the business is financed and how the required investment fits into that financial structure. This helps the investor understand the distribution of the financial risk and benefits and their part in these. A cash flow projection, which estimates the income and expense for your business month by month, is almost always included in such plans.
- If your business plan relates to an invitation to tender for a contract, your plan may have additional sections showing how the specific requirements of the contract will be met by your business.

WHAT WILL I GET AND WHAT WILL IT COST?

We can provide as many colour printed copies of your business plan as you require, put together as a quality presentation document. You will also receive an electronic copy of the plan document (as a 'PDF' file) which you can send out by email or from which you can have further copies printed. And we supply copies of any original research we have done on your behalf that may be useful to your business but was not included in the business plan.

How much it will cost to prepare your business plan depends mostly on how complex it is to produce. Fortunately, because of our experience in preparing business plans, we will work with you in a way that minimises the amount of time it takes (both yours and ours) for us to produce for you a quality business plan.



About Us

Burgh House Limited has the skills and experience to help you plan your business. Whatever your reason for planning or re-planning your business, we can help you through the process, at every stage from discussing your ideas through to drawing up the finalised plan document. To learn more about Business Planning and discover how we can help your business please contact us or see our website at <http://burghouse.com>.

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