

Writing a Business Plan

What is a Business Plan?

A business plan helps you think about all aspects of your organisation. It helps you to get an overview; to think about your aims and objectives, to help to plan for the future and to set clear targets. A business plan can be used to demonstrate to funders that the organisation is properly managed and ideas have been well thought out.

Why do you need a Business Plan?

A business plan may cover the whole of your organisation, or just a particular project. It can help to motivate staff and enable them to understand where their work fits in with the aims of the organisation. It is important that the management committee is involved in putting together your business plan to ensure that it is a collective vision of the organisation.

Where do you start?

When you are beginning to put your plan together, it is important to gather all the relevant information, you may need to think about:

- Current work and projects
- Development of projects
- Strengths and needs of staff
- Expectations of users
- Future funding
- Changes in demands

A SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis may be useful to undertake as it will help you

to focus on certain areas and provide information that you can include in the plan.

Contents of a Business Plan:

These are the main areas which are usually covered in a business plan:

1) A Summary of the Business Plan (also known as the Executive Summary)

This should be a short introduction, summing up the main points of the plan and introducing the project in an appealing way. You may find it easier to write this section of the business plan after the other sections are completed.

2) The Background/History of your Organisation

In this section you should include:

- Details of your legal status
- Your aims and objectives
- Your mission statement
- How long you have been established
- How you are managed
- Past achievements

3) The Need for the Services Offered

You need to provide a brief outline of the activities of your organisation or project. You could include evidence of this need, such as research, reports and client feedback.

You could provide a survey of similar or related services and how you work with them. Be clear about the benefits to your users and how you know this.

4) Aims and Objectives of the Project

In this section of the business plan you should cover in more detail what your organisation and project sets out to achieve. These will be your aims.

Strategic Aims:

It is probably not a good idea to have no more than 6 or 7 aims. An example of an aim may be:

Support the sustainable development and the overall capacity of community and voluntary organisations.

Outcomes:

Aims lead to outcomes – the longer term benefits that will be achieved. For the above aim, the outcome may be:

Local people will be provided with a high quality information, advice and support service.

Objectives:

You should then develop the aims by outlining a series of objectives relating to each aim. Objectives are the pieces of work or the action to be taken to achieve the aims. An example for the above aim may be:

Provide advice and support on setting up, governance and management of voluntary organisations.

Outputs:

Objectives lead to outputs – specific results that will be achieved. For the above objective, an output may be:

200 advice sessions will be held from March 05 – March 06.

It is also important to identify who is going to work towards these objectives and the timescale to which they are going to do it. It is also important that the objectives match up with the detailed

work plans of individuals and teams within the organisation.

5) Implications

From planning the aims and the objectives, you should be able to identify implications and resources required to carry out your work. Resources may include:

- Staff: – new staff for new projects – increased hours to meet demands – more training for staff
- Work space: - adequate space to carry out all activities – accessible space for all users
- Equipment/office costs: - adequate equipment available to meet the needs of staff and users – increase in bills (heating, lighting, telephone) – upgrading/replacement of equipment

6) Budget and Financial Planning

Once you have thought about the resources you will need, you can think about the budget and cash flow forecast to include in the plan. You should also try to include:

- realistic costing of activities
- a realistic assumption about the financial future
- details of financial systems in place to allow the organisation to be managed effectively

7) Fundraising Plan

When thinking about the future, you must think about how you will cover all your costs.

Which funding bodies will you approach? Include key dates for applications or other fundraising activities. In addition, some funders will expect you to have a plan for when their funding comes to an end.

8) Promotion and Publicity Plan

You will need to think about how you will advertise what you do to everyone who could use your services? How will you make sure no one is excluded? Focus on how your organisation puts equal opportunities into practice. You will also need to consider how you will promote yourself to supporters, partners and potential funders.

9) Management

It is always a good idea to include a diagram of your staffing structure, and how the staff relate to the management committee. Make sure people are clear what their roles are. Who will have responsibility for what? Who will people report to and get supervision from?

10) Monitoring and Evaluation

How will you measure the success of the organisation or project? How will you make sure you reach the targets you have set? How will you collect information about the work that you are doing? Who will do this and when? How will this information feed into ongoing improvement of the project?

As part of this section, you need to think about what you are measuring and why. You only need to collect necessary information, so you should consider:

- What information you need to collect, to measure whether or not you are meeting your targets
- How you will collect that information
- Who will collect it
- When it will be collected
- How it will be collected

Potential Risks as part of the plan?

No project is without risk. Projects rarely go accordingly to plan and even the most straightforward of tasks can go wrong. For example, what will you do if you can't recruit someone of the right calibre? If you have to advertise a second time it will push up your costs and delay the project. Under these circumstances you need to have a "Plan B" which involves approaching your funder to see if you can spend the unused salary on a new advertisement.

You also need to look at how to get the project back on schedule. And ask yourself what you will do if your strategy doesn't work (e.g. fewer people than expected are using your services). Essentially you should assess how the main potential strategic and operational risks could affect the business plan and specify how you will deal with them.

Reviewing the Plan

The plan must remain a living and usable document. Many organisations have a rolling plan, which is reviewed and updated annually. The process could be:

- every 3 months – review budget against actual income
- every 6 months – review individual work plans
- every 12 months – review intermediate objectives and outputs
- every 3 years – review mission statement and strategic aims

Final points to remember....

Ensure that the plan does not contain jargon – people reading the plan may not know anything about your subject area.

It must be easy to read with clear type face and numbered pages. Finally it is important to be brief as it is difficult to read masses of information. The Summary is a useful tool to be able to pick out relevant pieces of information.

For further information on business planning, here are some useful websites:

① <http://www.makingthenetwork.org/centres/business/index.htm>

① <http://www.businessballs.com/freebusinessplansandmarketingtemplates.htm>

Voluntary Action Sheffield also have an information sheet on their website:

① <http://www.vas.org.uk/info4.html>

If you copy this information sheet, please acknowledge North Tyneside VODA and make sure you have the latest version

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