

Writing a Business Plan

Definition

A business plan is, as the name suggests, a plan which details the 'business' activities and intentions of a project or organisation. It normally sets out the plans for a period of 3-5 years.

Key Concepts

The changes in the economic climate have increasingly led to funding organisations now requiring that even small voluntary groups must have a business plan before they will consider an application for funding. A business plan is a useful way of defining the purpose of an organisation's existence and is designed to show:-

- The current position of the organisation
- The direction the organisation intends to go
- That it has a clear management structure
- How the organisation intends to get where it says it will

A business plan is also used as a tool for obtaining funds. Funding organisations generally require groups to have a business plan detailing their strategy over the next 5 or so years. This is especially so where projects want to acquire larger sums of money, say for capital costs.

Specifically

A Business Plan is a document which explains:-

- Why a project is needed
- How it will work
- How it will be managed
- What the beneficiaries will gain
- How achievements will be measured
- What it will cost and how it will be funded
- Why your organisation should do it.

It generally includes:-

- Header/Contact page, which includes the project name, address, contact name, telephone number, the years the business plan will run from and to (ie. from 2003-2008).
- Executive Summary – ideally one page, written last, and includes the mission statement. It sums up the content of the business plan. Often this is the only part of the plan that is read in the initial stages of a trust or charity receiving it.
- Background and history – needs to be short and relevant and could include a survey of similar or related services or projects provided by other organisations.
- An analysis of the need, with figures of service users. It needs to show why the project is an attractive venture and highlight the needs of the people who will be using the service.
- Aims and objectives, which should include how the project fits into these. Aims need to be clearly thought out and objectives need to relate specifically to them. There will probably be several objectives for each aim.
- Service Profile – details what services will be provided. This could be quite full and should cover all aspects of the project.
- A work plan for the first year, including objectives, method of achievement, and target to be achieved within set parameters

- Monitoring and evaluation, including details of how the project will monitor what it intends to do and then how the service offered will be evaluated
- A budget and cash flow forecast for each year. This should also include development plans.
- A fundraising plan with key dates
- A summary of the organisation's track record of delivering similar projects
- Operating the Project – specific details concerning how the project will run. This will include:-
 - premises and facilities they offer
 - staffing structure (ie. management committee, worker, volunteers, other helpers)
 - the skills and experience the staff bring (or you need them to bring)
 - the equipment that is owned and/or needs to be bought
 - disability access
 - anything else unique to the project
- Environmental Analysis - Needs to include everything relevant about what is happening in the outside area, and ultimately how a niche will be created for the proposed project. It can be useful to do a SWOT analysis of the social, economic and political aspects to the local area.

Key Agencies/Resources

- **Hackney Council for Voluntary Service (HCVS)** – 18 Ashwin Street, Hackney, E8 3DL. HCVS provides Business Planning courses for organisations in Hackney and offers one-to-one sessions for groups. They normally use other agencies to deliver the service. Tel: 020 7923 1962. E-mail: post.hcvs@virgin.net. Website: www.hcvs.org.uk
- **East London Community Training** – One-to-one assistance with Business Plans and Fund Raising for organisations in the Tower Hamlets area. Contact Jill Walsh, Community Organisation Forum, The Davenant Centre, 179-181 Whitechapel Road, London E1 1DN. Tel: 020 7436 9973. E-mail: jill@towerhamlets.org.uk. Website: www.towerhamlets.org.uk/contactus.
- **Black Training and Enterprise Group (BTEG)** – a group working specifically with people of African, Caribbean, South and East Asian origin, in the arena of employment, training and enterprise. Tel: 020 7713 6161. E-mail: sdt@bteg.co.uk. Website: <http://www.bteg.co.uk>
- **LVSC** – 356 Holloway Road, London N7 6PA. LVSC provides information, training and support to the voluntary sector. Tel: 020 7700 8107. E-mail: lvsc@lvsc.org.uk. Website: www.actionlink.org.uk/lvsc.
- **NCVO** – 8 All Saints Street, London N1 9RL. Regular training courses available on strategic planning and management Tel: 020 7713 6161. E-mail: ncvo@ncvo-vol.org.uk. Website: www.ncvo-vol.org.uk.

Useful Websites:

- <http://www.business-plans.co.uk>
- <http://www.bizplanit.com/vplan>
- <http://money.guardian.co.uk/startingasmallbusiness/story>
- <http://www.sbgateway.com/gettingStarted>
- http://www.actionlink.org.uk/home/actionlink_viewitem
- <http://www.bteg.co.uk>

Useful Books:

- **The Complete Guide to Business and Strategic Planning** Good step by step guide on putting together a plan. ISBN 1 900360 87, 96 pages, 2nd Edition, 2001. £12.50 excluding VAT at 0%.