RECOMMENDED STRUCTURE OF A BUSINESS PLAN:

1 REASONS

Specify **REASONS** why you have decided to prepare a business plan; present a brief characteristics of the enterprise (activities, size, capital, number of employees), describe the goods and services and their markets, benefits for consumers, projected profit, and the main underlying assumptions.

2 BACKGROUND

General information of the enterprise (contact details, founders, head of the enterprise), main facts of the enterprise's history (purposes and circumstances of establishment, changes in operating results), current situation (types of activities, scope of production/services). This part can be written relying on the Articles of Association, Statute or other constitutional documents of the enterprise.

3 MARKET ANALYSIS

Describe the market and measure its size by the number of customers. Specify the present demand and what market growth is expected in the future. Assess your competitors' market share. It is important to explain in what your goods and services differ from those offered by your competitors at present and in the future. Identify obstacles to the entry to the market and ways to overcome them. Mention target customer groups that your products/services are aimed at.

4 SWOT ANALYSIS

Make an objective analysis of your business idea in terms of weaknesses (what the enterprise cannot do), strengths (what it is able to do), opportunities (conditions potentially advantageous for the enterprise) and threats (conditions potentially disadvantageous for the enterprise). This analysis will help you to assess both your own business and competitors' activities and current market events.

5 VISION. SETTING OBJECTIVES. STRATEGY.

Describe your company as you view it in the long term, e.g. after 5 years. Set objectives that will help realise the vision. Identify measures and actions by means you will attain the objectives.

6 FINANCING

Specify the project financing requirement and sources – how much money and for what will be needed, what are potential financing sources, when funding will be required, what will be the benefit for the financing entity and how it will get it? It is hard to estimate the required amount precisely, therefore, provide for a funds reserve. The Business Plan Calculator will help to assess prospects and results of the new business.

7 PROJECTED PROFIT AND LOSS STATEMENT

In profit projections, sales and income must be estimated. Projected profit can be estimated only upon assessment of production and realisation costs. Profit indicators will be useful both for the person starting the business and the bank providing funding.

8 CASH FLOW PROJECTIONS

The purpose of these projections is to show whether there will be sufficient funds for the business at any moment of implementation of the project. Income and costs, cash outpayments and receipt are recorded in the projections. A cash flow statement is drawn up together with the profit and loss statement because the same data are used for both of them. The estimated balance sheet is also appended to the business development project.

9 PLAN ENTRY INTO MARKETS

What goods and services you will choose to develop, what marketing programmes you will use for each goods/service group, how you will segment the market. Marketing is necessary in order to establish a competitive advantage, maintain a loyal customer base, and compete in an ethical and honest manner. Measure the size of the market by means of the number of customers, specify the current demand and what future market growth is expected. Explain the strategy for the entry into the market and the sales concept convincingly, and plan measures to promote sales.

10 DESCRIPTION OF PRODUCTION/SERVICE PROVISION

Describe the sequence of production or service provision operations, explain what activities will be carried out by whom, what subcontractors will be hired for, describe quality control.

11 LOCATION ANALYSIS

Describe the impact of the location on the production or service provision process, i.e. access opportunities, availability of required workforce in the region (qualifications etc.), worse or better conditions for supplier relations, attractiveness of the location for consumers.

12 PREMISES

Indicate whether available premise area is sufficient and adapted for the planned activity and its development. If the premises will be repaired/changed, provide a brief description of the costs and who will do this.

13 EQUIPMENT

It is important to decide whether equipment for the business will be purchased or leased; whether hire-purchase opportunities will be used. Provide a list and characteristics of equipment to be purchased and available equipment, specifying equipment's book values, depreciation and liquidity.

14 TRANSPORT

Indicate whether the enterprise will have its own vehicles or will use external services. Estimate transport costs. Indicate what vehicles will be needed for the development of the business.

15 RAW MATERIALS

Describe characteristics of required raw materials as well as alternatives. Indicate the cost of raw materials, what reserve will be required, anticipated price stability and delivery options. Specify the frequency and lots of purchase of inventories and the expected payment and delivery terms.

16 SUPPLIERS

Describe the supplier selection process and alternative supply channels.

17 SALES PROJECTIONS

Specify your target sales. Estimate the distribution of sales, and what results can be expected in each target customer group. What actions will be taken if sales are larger or smaller than projected; what adverse factors can influence sales and how to avoid them.

18 MANAGEMENT AND PERSONNEL

Estimate the required number of employees and the development requirement; describe the management structure and how the enterprise's structure and management will be organised. Describe the required personal experience and qualifications and specify the estimated average pay.