

A starter guide to business planning

By Fiona Davies, WiRE (Women in Rural Enterprise)

BUSINESS GUIDE

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People start a business for many different reasons, a passion, a calling or a big idea. It may be necessity, frustration, or a deep desire to work for themselves with no boundaries and no boss.

In order to make your business a success you will need to be clear about why you are embarking on this journey and where you want to end up.

Start by setting your business goals, these are not always about money. A growing turnover, five new customers per month and working locally are goals as respectable as making millions.

Decide on what your business should look like, how many hours to spend, what level of risk you are prepared to take, the impact on other commitments and what success looks like to you. Then take your answers, and with your goals in mind move onto devising a business plan to achieve your goals, step by step.

Starting out

Your business plan is a roadmap, a set of directions based on your goals. You wouldn't start a long journey without research into where you are going, directions, toilet stops and some refreshments so why would you embark on something as life changing as starting a business without a plan of action.

It doesn't have to be big and unwieldy and nobody else has to see it, the process of researching and writing will clarify your thoughts and guide your actions. The following questions will help direct you in the right direction in the initial stages of business planning.

What does my business do?

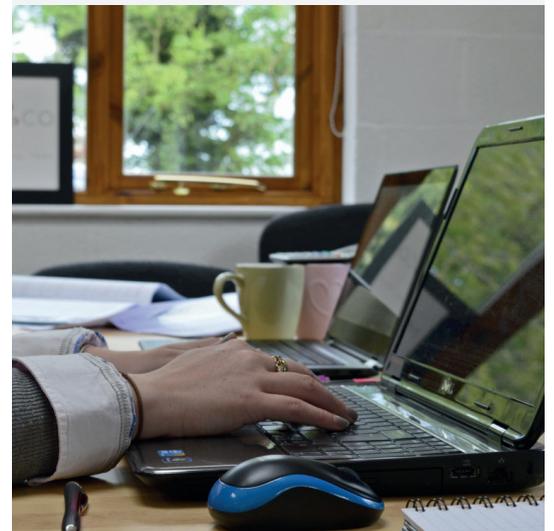
This is the easy bit, a chance to get down on paper all the thoughts and passion you have for your product or service. Some background information about you, your experience and why you are doing it and your mission statement – it's your business in a nutshell.

How will I fund the business?

There are more and more grants available for people looking to start their own business or rural enterprise.

Equally, most small businesses fund their business themselves, borrowing from friends and family (or even credit cards), buying in small quantities and using the profits to restock. This means the business may be slower to grow but it is more organic, manageable with a solid base of customers.

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However, the finance market is changing, [Crowd Funding](#) is revolutionising the way businesses connect with investors to finance their businesses, projects and ventures. There is a government funded scheme to provide loans and mentors for entrepreneurs, and [Business Angels](#) supply around £800 million to early stage businesses. Depending on which type of funding you opt for, your business plan may be more or less comprehensive.

Rules and regulations

Create a checklist in your business plan for all the legal and general regulations. Decide on the business structure i.e. sole trader, limited company, partnership etc.

If you need certification or legal compliances (which you will for all food, cosmetic and child related businesses), contact your local trading standards department. If you think you might need to protect your product or idea, take a look at the [British Library IP centre](#). Most businesses need some insurance to protect customers and themselves, so it's worth contacting your local insurance broker.

These things all look terrifying, they really are not. All the professionals are there to help you get everything right, protect you and your customers and give your business the best possible start. Tap into their skills and experience it really will help.

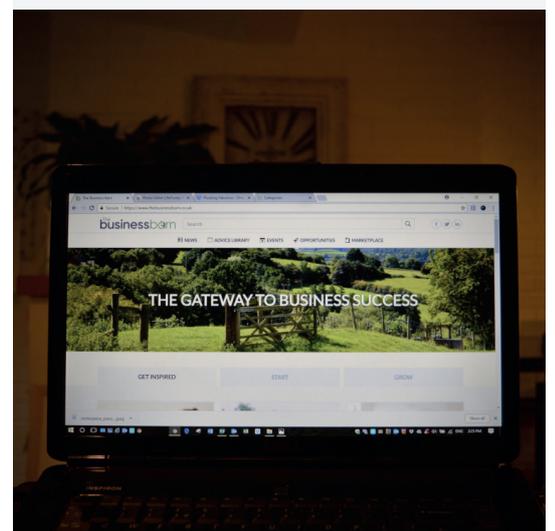
Research and marketing

In this section you need to drill down on your product or service and where it sits in the market.

- a. Research the market** - look at immediate competitors and understand the difference between you and them. It will help define the reason why customers should buy from you rather than your competitor. If nobody else is doing it, ask yourself why, sometimes there just isn't a market out there.
- b. Research your product** - test customer reactions to price, quality, design and concept. Try out names, but don't stress too much about this, Apple was once a fruit. Try attending local gift, trade or business fairs with prototypes to gauge customer reaction. Think of where your potential customers might be, for example at the school gates or the supermarket and take your product to them or canvass opinion. Ask questions or distribute short surveys on Twitter and Facebook.
- c. Work your findings** - mould the product, packaging, location and messaging according to your research. The more you know, the more prepared you will be for the market and the more you will sell.



"Your business plan is a living thing, it will move and change as your business does. Keep it handy, annotate it and review it regularly."



How will I sell my products?

This is your marketing plan, the culmination of all your hard work in the previous section.

- a. Know your customer** - it sounds crazy but many businesses fail because they concentrate their efforts on customers who are never going to buy their products. Create a picture of your customers, age, gender, location and base your marketing activity around them.
- b. Target your customer** - detail how and where to target your ideal customers. Be where they are, talk their language, respond to their needs, whether that's through advertising, networking, trade shows, direct marketing, social media and so on. In your conversations with customers make sure your brand is well defined, that is the values, ethics and personality that make you different. Understanding and recognising your brand will make it easier for a customer to justify buying from you and differentiate you from the competition.
- c. Set a timeframe** - you should be marketing at least 50% of your time so create a marketing plan which allows for time face-to-face with customers, for social media, press relations and networking.

How much will I make?

A significant part of any business plan is the financials. To track how well the business is doing you will need to keep a robust record of money in and money out. Raw materials, office space, cost of each sale and marketing for example and where your breakeven point will be.

It makes sense to include at the very least a cashflow forecast and profit and loss record in your business plan. It doesn't have to be complicated use a standard template and make sure all expenditure and income is recorded. Not only will you be able to manage your cash more effectively, you will also have an idea of the profitability, margins and growth potential.

Don't forget to factor in the cost of your contribution, your time in making, sourcing and selling.

Your business plan is a living thing, it will move and change as your business does, so keep it handy, annotate it, scribble on it and review it regularly.

Author information

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WiRE (Women in Rural Enterprise)

www.wireuk.org



WiRE is a business support network based at Harper Adams University in Shropshire. Offering nationwide support for new and established businesses, the WiRE business package delivers supportive peer group networking through the 50 volunteer led local groups plus online benefits including marketing, business resources and PR opportunities. WiRE also lobbies at a national and local level to influence policy and raise the profile of women in business.