

**Start-Up Workshop**

**Programme**

Business Start-Up - Planning

Workshop Workbook

# Workshop objectives

* To understand the need for on-going planning in running a successful business
* To create a description for your business
* To choose personal and business success factors
* To understand the business planning process
* To consider efficient and effective ways to get the skills and resources the business needs
* To understand how to present the plan for the business

### Exercise 1

# Why bother with planning ?

List the top five reasons for writing a plan for your business

1

2

3

4

5

Notes

# Have you got a viable business idea?

Addressing the basic economics of whether or not you have the basis of a successful business is a process.

The following are the key questions to address to take you through that process:

* What are you selling?
* What does it cost to make/ do?
* What price will your product/service sell for?
* Who will buy it?
* How many customers do you need?
* How will customers know about your product/service?
* How will you manage the finances in the process of running your business?
* Does the business make a profit at the end of the year?
* How much profit does the business make and is this enough to sustain you, your family and the business itself?

Business planning will help you identify the questions you need to ask to answer this basic question and then help you develop a systematic way of putting the means of starting and running a successful business in place.

# The ‘Big Picture’ v. the detail

In the planning process it is easy to get bogged down in the detail and lose track of where you want to go.

It is also just as easy to stay so focussed on the ‘Big Picture’ - your vision - that you never get round to doing what needs done.

The key is to make sure you keep your eye on both. Start by looking at the big picture.

### Exercise 2

# The ‘Big Picture’, what will the business do?

Write a clear description of what your business will do

### Exercise 3

Your ‘Elevator Pitch’ (in 25 – 30 words)

# What needs to go into a plan for your business

* Description of your business
* Marketing and market research (workshop 1)
* Roles and responsibilities
* Premises, equipment and supplies needs
* Financial forecasting and funding needs (workshop 3)

## Notes**Exercise 4**

# Financial Viability

In the early stages of planning you will need to assess the financial viability of your business i.e. whether it will make the amount of money you need to live.

Use the template on the next page to help assess your expenditure and the income you need to maintain your lifestyle.

Think also about how you want to be living when the business is as successful as you want it to be.

It is a good idea to do this for the key development stages of your business i.e. in the first year, after a couple of years, when the business is successful etc.

Use the template on the next page to help you do this.

Notes

# Personal budget

Estimated expenditure (excluding business expenditure)

|  |  |  |  |
| --- | --- | --- | --- |
|  | Weekly  £ | Monthly  £ | Yearly  £ |
| Mortgage / rent |  |  |  |
| Council tax, water rates |  |  |  |
| Gas, electricity, oil |  |  |  |
| Personal / property insurance |  |  |  |
| Food, drink, general house-keeping |  |  |  |
| Clothing |  |  |  |
| Telephone |  |  |  |
| Hire charges (TV, video etc) |  |  |  |
| Entertainment / going out |  |  |  |
| Subscriptions to journals etc |  |  |  |
| Car tax and insurance |  |  |  |
| Car running and maintenance costs |  |  |  |
| Children’s expenditure |  |  |  |
| Savings plans |  |  |  |
| Personal pensions / life assurance |  |  |  |
| HP Repayments / personal loans / credit cards |  |  |  |
| TV licence, newspapers |  |  |  |
| Christmas and birthdays |  |  |  |
| Holidays |  |  |  |
| Hobbies and leisure |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
| Emergencies / contingency |  |  |  |
| **Total expenditure (a)** |  |  |  |

Estimated income (excluding business income)

|  |  |  |  |
| --- | --- | --- | --- |
| Income from family / partner |  |  |  |
| Other income |  |  |  |
|  |  |  |  |
|  |  |  |  |
| **Total income (b)** |  |  |  |

**Total income required (a) – (b)**Setting SMART objectives

Breaking the ‘Big Picture’ down into achievable objectives

* Specific
* Measurable
* Achievable
* Realistic (relevant)
* Timebound

Notes

# Case study - The Top Table Company

John Gateway has been planning to set up his business for some time. He is a fully trained furniture craftsman specialising in French polishing and has developed a special polishing technique (Fine-shine™) which is a combination of French polishing and acrylic varnishing. He has researched the market and knows there is a demand for high quality finished furniture that will stand up to the hard wear that furniture is subjected to in the hotel and catering industry.

## The Plan

This is what John wants to achieve:

‘To develop a leading furniture business to the catering/hotel industry, selling quality dining room, bedroom and lounge furniture with hard -wearing Fine-shine™ finish, that will be one of the top 10 suppliers to the trade, operating UK wide.’

## SMART objectives

One of his objectives for the first year is:

* To start the business by focussing for the first 12 months on tables exclusively, buying completing and fine-shine™ polishing and selling between 400 and 500 tables to make a net profit of £12,000.

To achieve this objective he needs:

* To secure an order, in the first 4 months of trading, for 100 tables, selling at a net profit of £4,000
* To source a supplier who can supply tables, in the quantity he requires (100) at a cost of £300 each, part-finished by the end of his first month of setting up the business.

He breaks this goal down into further objectives including:

* Develop an effective marketing strategy using website, trade fairs, trade journals and trade contacts to achieve a market presence as one of the top 50 suppliers to the trade in the next 6 months. (Note his ultimate goal it to be in the top 10 – this is a step towards that.)

John now needs to do the following:

* Locate a good website designer including cost of design and maintaining website. This should be done by a specific date.
* What else ?

### Exercise 5

# Breaking your 'Big Picture' down into achievable objectives

1. What are the three top objectives the business has to achieve in the first year if it is to be as successful as you want it to be ?

1

2

3

1. For each of the above, what do you need to do to achieve these objectives (make each of these objectives SMART)

1

2

3

1. Now take each of the above objectives and further break them down into SMART objectives

1

2

3

# Your 'to-do' list

You can now start compiling your 'to do' list to achieve your objectives

# Mind Mapping

Some people develop their plan using mind-mapping – with ideas branching out from ideas (like a trunk of a tree with branches). This allows ideas to develop and then forms the basis of objective setting.

### Exercise 6

# What do you need to do to achieve success

1. Identify five areas in each of the following for your business

|  |  |
| --- | --- |
| Strengths  1  2  3  4  5 | Weaknesses  1  2  3  4  5 |
| Opportunities  1  2  3  4  5 | Threats  1  2  3  4  5 |

(b) What key actions will you need to create opportunities for your business by building on the strengths and addressing the weaknesses and threats

Notes

### Exercise 7

# What skills will the business need ?

1. Give yourself a rating for your skills below

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 1=poor, 5=excellent | 1 | 2 | 3 | 4 | 5 |
| Financial |  |  |  |  |  |
| Book keeping |  |  |  |  |  |
| Credit control |  |  |  |  |  |
| Drawing up a cash-flow |  |  |  |  |  |
| Drawing up budgets |  |  |  |  |  |
| Break-even analysis |  |  |  |  |  |
| Communication |  |  |  |  |  |
| Written |  |  |  |  |  |
| Person to person |  |  |  |  |  |
| Presentation skills |  |  |  |  |  |
| Selling skills |  |  |  |  |  |
| Computer/IT skills |  |  |  |  |  |
| Networking skills |  |  |  |  |  |
| Managing others |  |  |  |  |  |
| Leadership |  |  |  |  |  |
| Delegating work |  |  |  |  |  |
| Guiding others |  |  |  |  |  |
| Team building |  |  |  |  |  |
| Employment law |  |  |  |  |  |
| Recruitment of others |  |  |  |  |  |
| Self discipline |  |  |  |  |  |
| Time management |  |  |  |  |  |
| Objective setting |  |  |  |  |  |
| Project management |  |  |  |  |  |
| Motivation |  |  |  |  |  |
| Developing opportunities |  |  |  |  |  |
| Risk assessment |  |  |  |  |  |
| Market research |  |  |  |  |  |
| Forecasting |  |  |  |  |  |
| Market analysis |  |  |  |  |  |
| Pricing |  |  |  |  |  |

## Exercise 7 (continued)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 1=poor, 5=excellent | 1 | 2 | 3 | 4 | 5 |
| Decision making |  |  |  |  |  |
| Reading financial information |  |  |  |  |  |
| Analysis of information |  |  |  |  |  |
| Seeking information |  |  |  |  |  |
| Seeking professional advice |  |  |  |  |  |
| Break-even analysis |  |  |  |  |  |
| Skills specific to your business |  |  |  |  |  |
|  |  |  |  |  |  |
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|  |  |  |  |  |  |

1. For any areas above where you have identified a critical skills gap in your business, write down how you could fill that gap

|  |  |
| --- | --- |
| Skills gap area | How could you fill that gap ? |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |

### Exercise 8

# Who can help?

1. List all of the people or groups of people, who could help you in your business e.g. family, friends, customers etc.
2. Make a note of all the ways in which they could help, not just the most obvious, e.g. as well as buying products and services, customers could give you ideas for new products and services

|  |  |
| --- | --- |
| Who can help ? | How could they help your business ? |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |

Notes

# Costs of running your business

Below is a list of possible costs of running your business.

Which are relevant to your business ? How you can keep costs to a minimum ?

This will help you compile an estimate of quarterly and annual running costs.

|  |  |  |  |
| --- | --- | --- | --- |
|  | ✓ |  | ✓ |
| Supplies |  | Paper |  |
| Equipment |  | Stationery |  |
| Rent or mortgage interest |  | Business cards |  |
| Utilities |  | Accounting services |  |
| Maintenance, cleaning, upkeep |  | Legal services |  |
| Property taxes |  | Office furniture |  |
| Internet |  | Business licenses and permits |  |
| Telephone |  | Insurance (eg life/liability/health) |  |
| Mobile phone |  | Car insurance, maintenance, fuel |  |
| Office gadgets |  | Advertising and marketing |  |
| Internet connection |  | Subscriptions |  |
| Laptop or desktop computer |  | Professional associations |  |
| Printer |  | Subsistence |  |
| Printer toner or ink |  | Continuing education |  |
| Shipping and postage |  | Professional meetings, conferences and tradeshows |  |
| Home office supplies |  |

# What needs to go into your plan for your business ?

## Executive summary

1. Executive summary

2. Business details

3. Key personnel

## Vision

4. The business idea

5. Business goals

6. What the business does

7. What makes the business different

8. Legal requirements

## Marketing

9. Market research

10. Profiling customers

11. Profiling competitors

12. Managing market risks

13. Pricing

14. Promotion and advertising

## Running the business

15. Staff

16. Premises

17. Suppliers

18. Equipment

19. Managing operational risks

## Finance

20. Start-up costs

21. Profit and loss forecast

22. Sourcing finance

23. Managing financial risks

24. Cash flow forecast

# How will you present your plan?

## Be concise

keep the plan short and factual

## Be clear

convey the facts that will make the business a success

## Be informative

persuade the reader to carry on

# Presenting the written document

## Executive summary

## Content

## Appendices

# Workshop review

## To understand the need for ongoing planning in running a successful business

* To create a description for your business
* To choose personal and business success factors
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* To understand how to present the plan for the business

# Personal and business planning - action plan

## Action Plan

|  |  |  |
| --- | --- | --- |
|  | What you need to do | By when |
| 1 |  |  |
| 2 |  |  |
| 3 |  |  |
| 4 |  |  |
| 5 |  |  |
| 6 |  |  |
| 7 |  |  |
| 8 |  |  |
| 9 |  |  |
| 10 |  |  |

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