

# Business Planning Steps

**Business Planning Steps Suggested steps towards developing a Business Plan include the following:**

1. **Primary Objectives:** What is the primary objective identified by the organisation for the plan?
2. **Business Plan Summary:** What is the specific purpose of the business plan? Outline long-term objectives. For example, details of the event or the proposed facility to be developed, equipment to be purchased, proposed costs, funds to be raised, source of funds and project timelines.
3. **Business Description:** Outline a brief description of the core activities of the organisation and the relationship with the objectives of the Business Plan. For example, a tennis club's core activities are conducting tennis competitions and offering coaching. The purpose of the Business Plan is to install all weather courts with lighting to ensure greater court time, therefore enabling the club to offer more coaching sessions and attract more members into club competitions.
4. **SWOT Analysis:** Identify the Strengths and Weaknesses within the organisation and identify the Opportunities and Threats within the broader market. This enables the organisation to make the most of the competitive advantages, take steps to overcome the shortcomings, exploit opportunities within the broader market and minimise the exposure to external threats.
5. **Market Analysis:** It is essential to indicate that there is a sound market base for the objective.
  - Who are the clients?
  - What is the geographic/demographic make-up?
  - What influences the clients?
  - What is the price sensitivity?
  - What is the competitive edge?
  - How are the clients accessed?
  - What is the expected demand and growth?
6. **Marketing Strategies:** A well-developed marketing strategy is vital to the success of an organisation's plan. Clients and potential clients must know about the service/product of the organisation and be encouraged to purchase. Marketing strategies should acknowledge and address the following:
  - first class customer service
  - promotional literature
  - means of advertising
  - pricing policy
  - location and visibility of the event or facilities, and
  - the competitive edge over similar organisations.
7. **Business growth and development:** How does the organisation anticipate increasing memberships/sales, optimising use of the organisation's infrastructure and continually improving the product and service to ensure the organisation is continually developing and growing?

8. Production Facilities: It is necessary the organisation identifies the resource opportunities within and the specialist skills, experience, machinery and materials required. Will sub-contracting be required? What are the technical requirements? Are there adequate personnel?

9. Financial Requirements: It is imperative that all financial aspects are identified, including proposed expenditure and income supported with relevant quotes and costings. What is the proposed total project cost? How are the funds to be sourced (recognising both internal and external funding sources)?

What are the in-kind contributions (if appropriate)? If borrowing, what are the short and long-term financial implications for the organisation and how are these to be met? What is the financial basis for the organisation to achieve the business plan objectives, given the organisation is to break even at best?

10. Return on investment: Will the organisation provide a return on the investment and if so, what is the proposal for returns. For example, infrastructure improvements, purchase of equipment, hosting of 'free' events?

11. Management: Describe the background of the key persons involved in the project and outline the roles of other personnel required.

12. Administration: To ensure the project and business plan remain on target it is important that financial reports be formulated on a regular basis (monthly) and presented to the organisation committee. Such management information systems could include:

Cash book	Receipt book
Invoices (received and sent)	Bank statements
Petty cash expenditure	Capital asset register
Project progress detailing all work elements	Details of quotes, subcontractors & clients
Materials purchased	Job estimates

13. Supporting documentation: The organisation and particularly the project management group must ensure supporting documentation is retained. This would include such information as:

References and qualifications	Licences and permits
Organisation incorporation details	Any partnership agreements
Funding agreements	Promotional literature
Designs, specifications, maps or photos	Projected cashflows
Projected financial plans	Marketing plans