# Guidance document - Diagnostic business plan

This guide will help ensure you provide all the relevant information to complete a plan that will enable the reader to fully understand your business and your growth plans.

## 1 - Your business and customers

The goal of this section is to say more about your business and paint an accurate portrait of your typical customer. The more specific and detailed you can be, the better you'll be able to tailor your business strategies to effectively target and serve their needs.

**1.2 Describe the current and future product/service you are going to offer:**

* What is your current offering?
* Will this remain the same as you grow, or will you be offering something new?
* If you expand your offering, how do you plan to manage this?

**1.3 Expand on your business offering:**

* What features of your product or service are most important to your target market?
* How does your offer differ from others already in the market and where are you positioned in the market? Do you plan to be at the upper end of the market, middle of the market or at the bottom of the market?
* How does your offer meet your customers' needs.
* What will your products and services cost?
* What value does your product offer to your clients and the local area?

**1.5 Describe your ideal customers:**

Demographics –

* Provide information on your ideal client including age, gender, location, income level, and occupation.

Needs and pain points –

* Explain the needs, challenges, and issues of your typical customer when considering a product or service in your sector.
* Highlight how your products or services address these issues.

Behavioural patterns -

* Describe how often your clients will buy from you and how they prefer to do this e.g. one off or subscription.
* This includes how often they make purchases, their preferred shopping channels, and any trends in their behaviour.

Buying motivations –

* Identify what motivates your ideal customer to make a purchase. Is it convenience, high quality, cost savings, status, or something else?
* Understanding these motivations will help tailor your marketing and product strategies.

Communication preferences –

* Discuss how your typical customer prefers to receive information.
* Do they rely on social media, email newsletters, traditional media, or word-of-mouth?
* This information guides your communication strategies.

**1.6 What are your main sales platforms:**

* Please describe how you sell to your clients and where possible provide a breakdown of the income streams in percentage terms.

## 2 - Market research, competitors, and financials

Remember that the goal of the Market Research section is to demonstrate that you've done your homework and have a deep understanding of your industry, customers, and competition. This will help showcase to the reader that your business is well-positioned to succeed in a competitive market environment.

**2.1 Market research:**

Market needs –

* Describe what the needs, problems, and challenges are that your target market faces.
* Explain how your product or service addresses these issues and provides value.

Competition analysis –

* Identify your main competitors, both direct and indirect (those who do what you do and those who could do it).
* What are your competitors strengths, weaknesses, pricing strategies, and any other relevant factors.
* Highlight what sets your business apart from the competition and what your competitive advantages are.

**2.2 Market size and growth potential:**

Market size –

* Provide estimates of the size of your market and who the main suppliers or providers are within the sector you’re selling into.
* What is the growth potential within the market, what growth do you want to achieve in the next year, and when you expect to achieve this.

**2.3 Gap in the market:**

* There are many gaps in markets that exist but is there a business opportunity in the gap you have chosen?
* Explain what the gap is and how you plan to exploit this.

Target market –

* Explain why this target market is valuable and how your product or service meets their needs.

**2.4 Competitor table**

* Please complete details of your main competitors.

**2.5 Forecast financials:**

* Use the enclosed form to predict to the best of your knowledge what you aim to achieve in the coming year.
* Consider what would be the best case and worst case scenarios.
* This forecast should reflect your expected growth over this time.
* Please make sure the information you provide is as accurate as possible.
* Use this section to provide any required information to support any exceptional items or growth.
* Enter your best guess and realistic figures including any grant funding or other funds that are being used to support the business.
* Information provided should be realistic and if you need to add any further explanation, please do this within this section.