# Guidance document - Ten-page 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.

Please include relevant information in the relevant sections within the plan.

## 1 - Your business offer

**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?

**1.4 Impact statement and company strap line:**

* Please provide a short description about what impact your product or service will have on the local economy and how this benefit can be scaled wider.
* This can include staff being employed, sustainability goals, Equality and Diversity commitments, local supply chain, how you’re trying to change buying habits in your sector for example.
* What is your company strap line and what does this tell the reader about your business and its values.

## 2 - Market research and market strategy

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 needs and competitor analysis:**

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.
* This section should demonstrate a deep understanding of your customers' pain points.

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.

Market trends –

* Discuss the current and projected trends in the market that could impact your business.
* This might include changes in consumer preferences, technological advancements, regulatory shifts, or macroeconomic trends.
* Explain how you plan to adapt to or capitalise on these trends.

**2.2 Market size and growth potential:**

* Provide estimates of the size of your market and who the main suppliers or providers are within the sector you’re selling into.
* Explain the size, growth rate, and key trends affecting the industry.
* Include any relevant historical, current, or projected changes that could impact your business.
* 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 Market research to support growth:**

* What activities have you carried out to support your growth plans?
* What information or data did these activities show?
* What did you learn from this exercise and how has this influenced your decisions?
* Based on your market research what is the potential for growth within your market?
* What is your strategy to grow and how does your evidence support this.

**2.4 Marketing strategy:**

* Please use this table to provide details of the 3 main marketing strategies you plan to carry out to grow or scale your business.

## 3 - Customer analysis

The goal of this section is to 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.

**3.2 Describe your typical customer:**

Demographics –

* Provide a demographic of your client including age, gender, location, income level, education, and occupation.
* This helps paint a picture of your customer base.

Psychographics –

* Discuss their psychographic traits, including lifestyle, values, interests, hobbies, and attitudes.
* This information helps create a deeper understanding of their motivations and behaviours.

Needs and pain points –

* Explain the needs, challenges, and pain points your typical customer faces.
* Highlight how your products or services address these issues effectively.

Behavioural patterns –

* Describe their buying behaviour, consumption patterns, and preferences.
* This could include how often they make purchases, their preferred shopping channels, and any trends in their behaviour.

Buying motivations –

* Identify what motivates your typical customer to make a purchase. Is it convenience, 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.

**3.3 Customer journey:**

Customer journey –

* Map out the typical customer journey, from initial awareness of your products or services to making a purchase and becoming a loyal advocate.
* This helps you understand touchpoints and tailor your marketing efforts accordingly.

Segmentation –

* If your customer base is diverse, consider segmenting it into distinct groups based on common characteristics. Describe each segment's unique traits and needs.

Size of target market –

* Provide an estimate of the total addressable market (TAM) and the segment of the market you are targeting.
* This demonstrates the potential scope of your business opportunity.

Long-term value –

* Highlight the potential lifetime value of your typical customer. Discuss how you plan to cultivate repeat business and foster customer loyalty

**3.4 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.

## 4 - Competitor analysis and SWOT

A SWOT analysis is a strategic planning tool that identifies and evaluates your internal strengths and weaknesses, as well as your external opportunities and threats.

**4.1 Competitor table:**

* Please complete details of your main competitors.

**4.2 SWOT analysis:**

Strengths:

* These are the internal things that your business does well that give you a competitive advantage.
* Examples of strengths could include:

Brand reputation and existing client base.

Skilled workforce.

IP or technology.

Processes.

* Identify what your business does well and what sets it apart from competitors. Consider areas where you have a clear advantage.

Weaknesses:

* These are the internal limitations or challenges your business faces.
* These are areas where your business may be at a disadvantage compared to competitors.
* Examples of weaknesses could include:
* Lack of resources.
* Outdated or slower technology.
* Inadequate marketing.
* The inability to be flexible to customers’ needs.
* Reliance on other people including international suppliers.
* Gaps or a weakness in your supply chain.
* Be honest about your business's limitations and areas that need improvement. This helps you identify areas for growth and development.

Opportunities:

* These are external factors in the market or environment that your business could capitalise on. Consider how your strengths can be aligned with these opportunities.
* These are areas where your business could potentially grow or gain a competitive edge to win more clients or expand your offering.
* Examples of opportunities could include:
* Emerging market trends.
* Changing consumer preferences.
* Technological advancements.
* New or emerging market segments.
* The ability to be more reactive to clients’ needs as a smaller entity.
* Look for trends, changes, or gaps in the market that your business could capitalise on.

Threats:

* Threats are external factors that could negatively impact your business.
* These are challenges that your business should be prepared to address or mitigate but may not be able to control.
* Examples of threats could include:
* Increased competition
* Economic downturns
* Regulatory changes
* Shifts in consumer behaviour.
* Assess the potential risks and challenges your business might face a this will help you to be proactive and have plans in place to address or mitigate these threats should they happen.

## 5 - Risk analysis and contingency planning

Here are key aspects to consider and comment on in your business plan's risk analysis and contingency planning section:

**5.1 Risk analysis:**

Identification of risks –

* Clearly list and describe the potential risks your business might face. These could include:
* Market risks (demand fluctuations, competition)
* Operational risks (supply chain disruptions, equipment failure)
* Financial risks (cash flow problems, economic downturns)
* Regulatory risks (changing laws, compliance issues)

Risk assessment –

* Evaluate the probability and potential impact of each risk. This helps prioritise which risks deserve more attention and resources in your contingency planning efforts.
* Categorise risks as high, medium, or low based on their severity and potential impact they could have.

**5.2 Contingency plan:**

* Contingency plans outline specific actions you would take to mitigate the impact of each identified risk.
* You should outline:

The steps to be taken.

The person responsible for managing the risk.

Timelines

For instance, if your business heavily relies on a single supplier, your contingency plan might involve developing relationships with alternative suppliers.

**5.3 Monitoring and review:**

Monitoring and review –

* Explain how you will regularly monitor and review the effectiveness of your contingency plans.
* Will you set up key performance indicators (KPIs) that act as early warning signs for potential risks.

Insurance and risk transfer –

* Discuss any insurance policies you have in place to mitigate certain risks. This shows that you've considered financial protection in case of unexpected events.

Leadership and decision-making –

* Clarify who makes the decisions on risk in the company and if you employ any external representatives to support you.
* Please confirm if you a member of any professional body and if so what support they provide to you.

**5.4 Legal and compliance:**

Legal -

* Consider any legal processes you need to have in place.
* These will include contractual agreements with your supplier or customers.

Compliance -

* Please state if you are a member of any professional sector bodies.
* Please advise if you are registered with HMRC and if you are fully up to date with any owing tax charges.
* Please confirm that if you are a limited company that your company is up to date you’re your submissions to companies house.

**5.5 Supply chain/suppliers’ analysis:**

* Please explain who your main suppliers and/or contractors are.
* Explain how you currently manage your working capital cycle (the money needed from the time someone orders to when they make payment).
* How will you manage this as you grow – What additional funding will you need aside from the grant to manage the growth?
* Explain how your supply chain works, where your suppliers are based, explain your supply chain.
* Say how your manufacturers can meet the demands presented by the planned growth and if not, how will you manage this?
* What or who are your secondary suppliers?

## 6 Financials

**6.1 Forecast financials:**

* This forecast should reflect your expected growth over this time.
* Please make sure the information you provide is as accurate as possible and 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 and any additional 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.

If you are already trading:

* Please provide the information for the last years income and expenditure.
* If you have not completed a full year of trading, please provide as many months as possible.
* If you have not traded yet, please state this in your application in this section and move on to complete the forecast only.

**6.2 Personal survival budget:**

* Please use this section to demonstrate your required drawings from the business.
* This is to ensure that the business can support your needs and confirms the grant will not be required for personal costs.