



Participants Guide

Failing To Plan Is Planning To Fail

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This topic covers the benefits of developing a business plan in gaining increased control over business operations and improved opportunities to step back and work ON rather than IN the business .Describes how to create a complete plan for the business or just a set of action steps covering the critical areas of operation.

The business plan is an excellent tool in defining your personal assets and liabilities, describing the competitive conditions in your market, your financial needs, ways to promote your products and services, and assess the skill sets your team needs to be most productive.

From this topic, your clients (or your team members) will learn the key steps required to create a plan document for their business and how to use it in their sales processes, to aid in inducting team members, to deal with banks and other capital sources, and to educate new suppliers about the nature of the business.

This set of Support Resources will provide you the slide visuals used in the recorded video. Work through the slides and take notes along with the video.

Tips:

- After starting the video you can double click on the window or click on  in the video tool bar to view full screen.
- Make sure to download the action plan for the next steps
- Talk to your RAN ONE Business Advisor about the services they have to assist you

NOTE: Some slides may be different from the video used.

Failing To Plan Is Planning To Fail



Did You *Plan* Your Entry Into Business?

Before starting your business did you:

- Do research?
- Set out your goals?
- Or was it based on:
 - Back-of-an-envelope calculations?
 - Without benchmarks or time frames?



Why Did You Go Into Business?

Usual reasons are:

- Independence - being your own boss
- Higher income prospects
- A better lifestyle with more free time
- The personal satisfaction of taking on a challenge
- Building a future for the family



Have You Achieved Your Goals?

Is the reality more like:

- Working long hours
- Stress
- Risks
- Less family time
- No vacations
- Full responsibility
- Taxes
- Bureaucracy
- Bad debts
- Constant minor emergencies



Is The Business Running You?

Are you working IN the business, or ON it?

- Negatives are a constant feature
- Your business is out of control
- You don't have time to look at the bigger picture



Taking Control Through Business Planning



Developing a Business Plan will develop your business management knowledge.

- You will become a better manager
- You will improve your chances of business success



Starting To Plan – Your Vision Of The Future

- What are your income and lifestyle goals?
- What do you need in terms of:
 - Turnover
 - Profits
 - Finances
 - Resources



The Business Plan – Guide To Your Destination

- A road map
- Details:
 - Activities
 - Roles and responsibilities
 - Benchmarks
 - Timelines



What's In A Business Plan?

- | | |
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| <ul style="list-style-type: none"> • Business profile • Product/service description • Market analysis • Operational details • Management structure/strategies | <ul style="list-style-type: none"> • Workforce description • Financial history • Threats and opportunities • Marketing and promotional plan • Marketing budget |
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Writing A Business Plan

- No one right way
- Reflects the nature of the business
- But there are broad structural similarities
- Follow accepted accounting practices for financial information



The Cover And Preliminaries Section Of The Plan



- Identify who you are
- Consider design and branding
- Make an impact
- Help readers to navigate the document



Executive Summary

- Put your best foot forward
- Snapshot of hard data
- Cohesive overview
- Appears first but written last
- Attracts investors and lenders



Business Profile

- Description of the business
- The industry and market
- Business and owner background
- Product strengths and weaknesses
- Facilities, plant, production capacity



Marketing Plan

- Current marketing strategies
- Customer demographic
- Competitive analysis
- Pricing strategy
- Sales and distribution information
- Advertising media



Action Plans



Specific action plans are needed to cover:

- Operational issues
- Management issues
- Contingencies



The Operations Plan

- The production process
- Strategies for increasing efficiency
- Supply chain and inventory management
- Risk management
- Order fulfillment



The Management And Personnel Plan



- Management style
- Details on business advisors
- Employee skills and training



Contingency Plans

- Recovery strategies
- What if interest rates surge?
- What if demand plummets?
- Capitalise on windfalls?
- Legal and regulatory issues



Financial Plan

- Historical data
- Marketing and sales forecasts for two years
- Monthly profit, loss, and cash flow projections
- Financial ratios
- Guided by accounting standards



Using The Business Plan

- Don't file it away!
- Reference tool to keep you on track
- Better prepared to face uncertainties



Using The Plan To Promote The Business

- Your Business Plan is your guide and your ambassador



Using The Plan To Check Progress

- Revenue, expenses, and cash flow
- Includes targets
- Prompts you to take action



Using The Plan To Develop Marketing Strategies

- SWOT:
 - Strengths
 - Weaknesses
 - Opportunities
 - Threats
- Analyse market and competitors
- Look ahead and be prepared



Prepare For Challenges

- Industry-wide threats
- New technology
- New market entrants
- Have resources to deal with threats
- Be positioned for new opportunities



Using The Plan For Team Management

- Provides a team focus
- Covers all aspects of the business
- A reference source for priorities
- Provides a bigger goal
- Reassures team on job prospects and security



Using The Plan To Communicate Your Potential

- Presents your business to:
 - Investors and lenders
 - Clients
 - Suppliers and creditors
 - Solicitors
 - New employees
 - Family
- Vital for investment and loans



Review The Plan At Each New Initiative

You should review your business plan if you're considering any of the following:

- Introducing a new product
- Entering a new market
- Acquiring a new business or a franchise
- Moving location



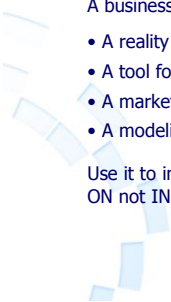
Keep The Plan Current



- Before and after major growth
- Changes to the customer base
- Changes to distribution
- Changes to inventory management



Conclusion



A business plan is:

- A reality check
- A tool for tracking progress towards your vision
- A marketing document to promote your firm
- A modeling tool

Use it to improve your likelihood of success by working ON not IN



Internal Components

