



PREPARE YOUR BUSINESS PLAN

A business plan is an essential roadmap for business success. This living document generally projects 3-5 years ahead and outlines the route a company intends to take to grow revenues. Take the time to write down your plans, this is a key to success.

HOW DO I GET STARTED?

1. ENLIST SUPPORT

Assess the expertise and assistance you already have and decide what additional help you will need to prepare your plan and harness your resources effectively. For example, you might need accountancy, information technology or marketing assistance.

2. DEFINE YOUR BUSINESS

Examine your business ideas critically and check these against your initial perception of the marketplace. Identify the key features of your business, its strengths and weaknesses, and consider opportunities open to you and the challenges you face.

3. SCAN THE MARKET

Review the market for your goods or services and the competition you face. Use market segmentation to identify potential customers and market survey methods to characterise your customers and their needs.

4. IDENTIFY YOUR NICHE

Most companies have to choose between offering general services to a restricted range of customers or offering a niche service. The question is how can you best achieve profits? For that, you need to identify your USP, Unique Selling Proposition.

5. FIND THE RIGHT PEOPLE

Now you can review the skills and knowledge needed to run the business and compare them to the abilities of the people currently working with you. If certain skills or knowledge are lacking, you can either recruit or bring in professionals with specialist skills.

6. WEIGH PRICES AGAINST PROFITS

Most businesses price low to maintain turnover, but the additional profits from higher margins can often outweigh any loss of turnover. Analyse the impact of competitors' pricing policies and decide on yours.

7. DETERMINE YOUR MARKETING STRATEGY

Marketing is deciding how best to reach customers, maintain marketplace intelligence, secure additional customers and generate further business. Start with determining how you will attract and retain your customers. To do this, a separate marketing plan is recommended.

8. CALCULATE CAPITAL EXPENDITURE AND LIQUIDITY

You now need to consider the financial resources you will require. It is easier to arrange borrowing in advance rather than approach your bank manager when you have exceeded your overdraft limit! Review the capital expenditure needs of the business and alternative ways of meeting this expenditure while retaining adequate liquidity.

9. ANALYSING FINANCIAL FORECASTS

When putting together financial forecasts, make sure you cover: sales revenue, expenditure, profits and funding review. This is a crucial step and you need professional help to do it with accuracy.

WHAT TO DO NEXT?

1. MANAGE THE INFORMATION

To achieve the best results, you will need to monitor your performance against the plan. This will give you early warning for when you should reconsider your actions in response to market developments. So keep a constant eye on your key indicators for revenues, costs and cashflow and don't forget your people!

2. UPDATE THE PLAN

You will need to decide when the plan should be updated and how this should be done:

- Short term problems may require immediate revisions
- The year end review of results will help in amending the plan
- Keep watching the marketplace

THIS IS A NEVER ENDING PROCESS!

Businesses evolve and so should your plan. Plans are designed to enable you to forecast the future, to help you stay ahead of the game and to assist you in realising your full potential.

DFK UK & Ireland can help you prepare your business plan so contact your local DFK UKI adviser on www.dfkuki.com or write to info@dfkuki.com.



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