



# **Dudley Council For Voluntary Service**

## **Factsheet 19 Business Plans**

A Business Plan helps to think through all aspects of your organisation and plan for the future. It helps you to get an overview of your organisation, and is a useful tool for presenting yourself to funders and supporters. For funders a Business Plan can show your organisations competence to deliver services, achieve targets and evaluate successes.

A Business Plan may be for your whole organisation. It can also be for one aspect of your groups work, or for a particular project [when it could be called a Project Plan]. If you don't like the term Business Plan, then you could call it an Organisation Plan, Strategic Plan, Development Strategy, etc.

A Business Plan should not be completed just because funders have requested one. A Business Plan should help your organization to be clear about what you do and how you plan to develop your organisation and services you offer. A Business Plan should look at your organisation's future between the next 1-5 years. Business planning is simply the act of preparing your organization for events that will influence your future. It is about organizations taking responsibility for their own destiny.

The most effective Business Plans are a joint effort, carried out in consultation with staff, volunteers, management and other interested parties. A plan will work best with the input and support of the people who will be expected to make it happen! A good way forward is to form a small working group to concentrate on the Plan. Writing the Plan will take time, months rather than weeks.

The length and detail of the Business Plan will be based on the size of your organisation, the time frame covered, the service[s] you provide, etc. The Plan should be a working document, which is concise and coherent. A Business Plan should be reviewed periodically and if necessary amended to meet changing circumstances. For some groups 2 sides of A4 will be sufficient, larger organizations will need far more detail.

Always make sure your Plan is clearly written, that you discuss it with appropriate people and that any costs are realistic and based on real costs.

Below are the common points that are usually found in a Business Plan. Business Plans vary according to the individual needs of organizations. Make additions or alterations to this outline to meet the needs of your organisation.

**1: A Summary of the Business Plan** [This is only necessary for lengthy and detailed plans].

One or two pages, summing up the main points of the plan and introducing the project in an appealing way. You may find it's easier to write this after completing the bulk of the plan.

## **2: The Background/History of the organisation**

A description of the organisation, its history, structure and its achievements. Put details of your legal and charitable status. Talk about your track record and highlight your organisation's achievements.

## **3: Aims and Objectives**

A very brief statement of your organisations aims, including the mission statement if you have one.

These are statements detailing the purpose of your organisation or project. They can be seen as the changes you want to make, through your organisation or project. For some organizations one aim is sufficient, but do not have more than 6 aims. An example of an aim:

To provide a variety of ways for people to understand the lives of disabled people through the mediums of art, drama, training and education.

Aims lead to outcomes - the benefits that will be achieved. For the above aim an outcome might be:

Local people will gain a greater insight into the lives of disabled people, which will lead to less discrimination against them.

A clear set of organisational objectives. If the group doesn't know where they want to go they will never get there. Depending on the length and detail of the plan, this could include short and long term objectives, broken down into 1<sup>st</sup> year, 2<sup>nd</sup> year, etc.

Objectives are the tasks needed to achieve the aims. Each aim will have several objectives. An example of an objective for the above aim could be:

Produce performances based on the lives of and experiences of disabled people.

Objectives will have targets [sometimes called outputs] - realistic numbers that you expect to achieve.

## **4: The Service[s] the organization provides**

Information on the individuals or groups your organisation works with. You have to show how you are meeting a clear need, and that your activities are in demand. Include evidence - your own or any research or reports.

**What services and activities your organisation provides. Why you are in the best position to deliver these services. What makes these services good and distinctive; the services you are planning to offer; and a discussion on partnership working and any 'competition'.**

## **5: A Workplan**

The workplan gives details about reaching specific objectives. Detailing how things are done and what resources are and will be used. Outlining how the organization plans to develop in the future. You may find it is easier to break this into specific time frames eg Year 1, Year 2, etc. If appropriate you may also want to divide this into individual projects.

## **6: Management Structure and Staff Resources**

Human resources within your organisation, including paid staff, volunteers, management committee, etc. Looking at the present position and future developments. If possible carry out a skills audit of the organisation requirements and existing skills of the volunteers, staff, committee, etc. Include the organizational structure. This can form the basis of a Training and Development Plan.

It is always a good idea to draw out your staffing structure and how the organisation is managed. Make sure people are clear what their roles are. Who will have responsibility for what? Who will people report to, and get supervision from?

## **7: Legal Matters and Policies**

Look at existing policies, procedures, contracts, etc and the work that will need to be done as the organization develops. As appropriate to the organisation these could include; insurance, liability, child protection, health and safety, equal opportunities, staff development, employment policies, etc.

## **8: Resources Required**

From the planning you have already done, you are now in a position to decide what resources you will need to carry out the work. Resources include:

Staff

How many staff hours will this work need? What staff will you need to deliver this work? Fulltime or part-time? What skills do they need? On what salary? What extra costs will each worker have - recruitment, training etc.?

Work space and equipment

Think about where you will carry out all your activities. Do you need to buy a building or rent space? What equipment do you need to run an office and your activities? Is the space accessible to everyone?

## Finance

A very important aspect of any Business Plan is the creation of a budget and a cashflow forecast.

A budget can be created when you have got costs and quotes covering all the organizations income and expenses. A 3 year budget is usual, with all predicted outgoings and income. This should also be combined with a Cash Flow Forecast, which looks at the timing of money flows in and out of the organisation to make sure you always have enough cash when needed.

Part of the financial planning is the development of a Funding Strategy for your organisation.

### **10: Promotion and Publicity Plan**

Who are your users? Do they still want what you offer, or are you offering your service in the way you do because that's the way you've always done it? Should you be offering new services? How much should you charge for your services or products?

How will you advertise what you do to everyone who could use your services? How will you make sure no one is excluded? How will you target the kinds of people or groups you most want to reach? How will you promote yourself to supporters, partners and potential funders?

### **11: Strengths, Weaknesses, Opportunities and Threats [SWOT]**

**Undertake a SWOT analysis, particularly looking at external factors eg, new legislation, working with others, change in funding streams, competition, etc.**

### **13: Monitoring and Evaluation**

How will you measure the success of the organisation or project? How will you make sure you reach the targets you have set? How will you collect information about the work that you are doing? Who will do this and when? How will this information feed into improving the project? Who will analyse this information and act on it to make changes?

### **14: Long Term Sustainability**

Outline the organisations plans and alternatives for the future viability of the organisation or individual projects.

### **Further Help**

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