

FACTSHEET 19

Business Planning

What is a Business Plan?

A business plan is a written document that provides information about the 'business' activities and intentions of a project or organisation. It provides information about what an organisation wants to achieve over a period of time, what the projected costs are for the activities, the anticipated income and cash flow projections. A business plan normally sets out the plans for a period of 3 to 5 years. Developing a business plan takes an organisation through a planning process and is a useful way of defining the purpose of an organisations existence.

Why develop a Business Plan?

A business plan is often something that organisations have to produce in order to obtain funding. This is particularly so for large organisations requiring large sums of money. However, there are benefits to producing a business plan for any organisation, large or small.

A business plan can:

- Help to identify and clarify what an organisation wants to do
- Identify what can be achieved and how it will be achieved
- Identify what resources are needed
- Identify organisations strengths, weaknesses, opportunities and threats
- Make an organisation look more professional
- Attract funders
- Demonstrate the value of an organisation

- Help an organisation to grow, expand and develop
- Help an organisation develop an understanding of the potential risks and problems so they can be solved before they become disasters
- Help build a sense of ownership by involving volunteers, staff and partners
- Help an organisation measure its success in order to demonstrate its worth

What should a Business Plan include?

Summary

This would provide a brief overview of the whole business plan covering the main key points. Usually a summary would be written once the rest of the business plan has been developed. A summary is useful as it gives the reader a quick overview of an organisations plans.

Purpose

This section would outline the main purpose of the business plan, for example, whether the plan is an overall plan for the organisation or a business plan for a specific project.

Vision, mission and core values

This section would include the organisations vision, mission statement and core values. During the planning process revisiting the organisations vision, mission and core values would help to identify whether they are relevant to the organisation or whether they need re-defining.

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Strategic aims and objectives

This section would specify the strategic aims and objectives of the organisation. Including these in the business plan ensures that the organisation identifies how the plan fits in with the overall strategic direction of the organisation.

Current state of the organisation

This section would provide some historical information about the organisation and would include where the organisation is at and what problems it may currently be facing. An organisation could include a SWOT analysis which would provide information about the organisations strengths, weaknesses, opportunities and threats. Carrying out a SWOT analysis is a useful tool for any organisation as it can help it to take advantage of opportunities that it did not realise it had and identify how to overcome its threats.

Description of the project

An organisation would need to include a description of the project or activities it wants to carry out and demonstrate how the project helps to achieve the strategic aims of the organisation. This section would also show why the project is needed and the change the project intends to make.

Business case

The business case would demonstrate why the organisation is best place to deliver the project. The organisation could draw on its strengths and opportunities to put forward its case. Externally, this would demonstrate that the organisation is a strong one in that it can identify where its strengths lie.

Action Plan

This section would include a list of the actions that would need to happen in order to deliver the project with timescales and information about who will be responsible for delivery and monitoring. The action plan would include detailed information and would help an organisation to clarify the activities that will be undertaken. It is important for an organisation to know who is doing what by when to avoid duplication, waste resources and ensure an organisation is being as effective as it can be.

Financial implications

This is one of the most important elements that should be included in a business plan. It should

include information about what resources are needed to deliver the project, where the income will come from and a projected cash flow forecast. A business plan is a financial translation of an organisations intention for the future so this element of a plan is vital.

Monitoring and evaluation

This section would describe how the project will be monitored and evaluated. This would include; financial monitoring as well as monitoring what changes the project will make. By doing this the organisation can measure progress, demonstrate its worth and have evidence in place to promote its success.

Risk Management

An organisation would include in this section the potential risks or problems that could occur and the plans that will be put in place to minimise such risks. By identifying potential risks and showing how they will be overcome demonstrates that an organisation is well managed. An organisation that has identified potential problems and ways to overcome them is likely to be more sustainable.

Contingencies / Exit Strategies

This section would provide information about contingency plans and exit strategies if funding bids fail.

Appendices

At the end of the business plan an organisation would usually include appendices. These could include a copy of the organisational structure, job descriptions and the budget.

FURTHER HELP

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