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Business Plans

Your Business Plan

A business plan is essential for managing any business. It precisely defines what your business does and its goals, helps you allocate resources properly, handle unforeseen complications, and make the right business decisions.

A proper business plan should include a current and an estimated balance sheet, an income statement, and a cash flow analysis. It should also include a Strengths, Weaknesses, Opportunities and Threats ('SWOT') analysis of your business.

Information Quality

The success of any business plan depends firstly on the quality of the information provided. When writing your business plan, some of the initial questions you'll need to consider include:

- What service or product does your business provide and what needs does it fill?
- Who are the potential customers for your product or service and why will they purchase it from you?
- How will you reach potential customers?
- Where will you gain the financial resources to start your business?

Take your time and talk to as many people as possible for information. The more analysis of your market and objectives you undertake upfront, the greater your chances of business success, because you're eliminating the unknowns.

Every business plan is different. While you can find some general business plan outlines in books or on the Web, the structure of your plan should be adapted to fit the type of business you're involved in.

Refer over for an example Business Plan Structure.

Example structure of a business plan

1: Name of business and contact information

2: Summary

An overview of your business. It states its purpose and highlights its strategies for success.

3: The Business

Detailed information about your product and service offerings, ownership details and your business' objectives. There should be an analysis of your industry, competitors and likely market share. It should also detail who in your business is responsible for what, as well as key dates for completion of major objectives.

- Description of business
- Ownership
- Marketing
- Competition
- Operating procedures
- Personnel
- Objectives

4: Finances

Profit and loss, balance sheet and cash flow forecasts, highlighting your potential short-term and long-term finance needs.

- Loan applications
- Equipment and supply list
- Balance sheet
- Breakeven analysis
- Estimated profit and loss statements for 1, 2 and 3 years, including quarterly breakdowns
- Assumptions upon which projections were based
- Estimated cash flow

5: Supporting Documents

- Financial Statements for the last three (3) years (if an existing business)
- For franchised businesses, a copy of franchise contract and all supporting documents provided by the franchisor
- Copy of proposed lease or purchase agreement for building space
- Copies of any relevant business licences and other legal documents
- Copies of the resumes of all the owners or key managers
- Copies of letters of intent from suppliers, etc.