



# Business plan building blocks:

How to lay the foundations  
for that perfect business plan

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# At some stage in your entrepreneurial journey, you're going to need a **business plan**.



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This is a written statement of your business, outlining the structure, the product or service you're selling, who your customers are, and the all-important financial details, including how you plan to grow.

As well as setting out what you want to achieve, it also serves as an information point for any backers, partners or investors. And on top of all this, it's also – as the name suggests – a plan for your business. It's a reference point that can help you to make decisions, anticipate challenges and prepare for the future.

There's no one right way to write a business plan, and there are already many great resources online that will guide you through the basic structure and content it should have. [Entrepreneur.com](#) and [StartupDonut](#) provide good overviews of the seven major sections of a traditional business plan, and [Gov.uk](#) has handy links to templates and examples.

Rather than repeat this information, we're going to give you some tips on what to bear in mind when writing your business plan, and the best ways to make it a success.



## Be enthusiastic

Your business plan will be used not only to support any applications for funding or investment, but also as a guide for your company's operations from its very first day. With that in mind, the document should be infused with the same energy and enthusiasm that led you to pursue this idea in the first place.

Your plan should make anyone who reads it excited about your business: whether they're an investor, a partner or an employee.

Of course, all this enthusiasm needs to be tempered with hard facts and figures, but there's no reason the two can't go together. Your plan should set out your

company's identity, the space it fills in the market, your vision for the future and the core goals and values your company is working to - if you're finding it hard to inject some enthusiasm into any of these things, this should motivate you to examine why that is.

There's no rule anywhere that says a business plan must be a dry list of projections and predictions - it also should reflect your personality and passion. And further down the line, if times are getting tough, it's nice to have a business plan you can re-read to inspire yourself all over again.



## Know your market

Market research and sales make up two of the most important sections of the standard business plan template, but you shouldn't limit it to just these: your customers are the lifeblood of your business, and it's crucial to know as much as you possibly can about them before you begin. Knowledge of the market - including your competitors - should inform everything you do, from your location to your management structure, and it's an important point to keep coming back to in your business plan.

A consistent focus on your customers and what you know about them not only puts you in good stead for

the future, but also demonstrates to investors that you understand the fundamental truth that without customers, there's no business to be done. Knowing all about your competitors will also help you to think about how you can differentiate yourself by offering customers something they don't.

With that said, new businesses often underestimate the time it will take to gain traction in the market and start building up volume. How you spend your time and resources in the first 12 months is vital: make sure your first-year marketing strategy as detailed and well-researched as possible.



## Celebrate your people

A business is made by the people involved with it, and your business plan should include details of its most important personnel. This shouldn't be limited to just the top-level managers, but also any mentors, lawyers, accountants and so on who have offered their services along the way. This is also a great way to set out the skill sets available to your company, and identify where you might need to make recruitments.

The unique skills, qualifications and key abilities of each are important, of course, but you should also note down any personal contributions these people

have made to getting your business off the ground. This is particularly true for any investments made: potential lenders will be pleased to see that you and your people have a financial stake in your company.

Some business plans include the CVs of key personnel in the appendices - this is usually a requirement if you are seeking outside investment. For this reason, you should also ensure that these CVs are up to date, polished and make for impressive reading, particularly emphasising any skills and experience that directly relate to what your business does.

# 4

## Get your executive summary just right

The executive summary is one of the most important sections of your business plan - not for you, perhaps, but for anybody who reads it. It's your chance to outline exactly what your business is and why it's going to be a success, so it needs to contain your mission statement, all the key strengths and unique features of your idea, a summary of the market analysis you've done and how your business fits into it.

In short, it's the elevator pitch for your business plan as a whole - it needs to be persuasive and energising, and it should contain at least one point that jumps out and grabs the reader. If you're

fortunate enough to have a potential investor go through your business plan in detail, it's likely because something in the executive summary convinced them to read on.

Naturally, the executive summary should be the last thing you write, after you've done the hard work and identified the most compelling aspects of your idea. More than any other part of the document, it should be written for an audience - try it out on as many different people as you can and tweak it until it's perfect.

# 5

## Think about what investors want to hear

This isn't as simple as projecting six-figure growth in your first year - in fact, that's the complete opposite of what we mean. Investors are savvy (they wouldn't be holding the purse-strings if they weren't), and it's a safe bet that they've seen their share of over-optimistic business plans over the years. Charts and graphs will support your case, but they won't necessarily impress them: demonstrating business sense will.

What an investor really wants to know is: does this person have the experience, foresight and business acumen to make this idea a success?

Are they grounded enough in reality to think about what they'll do if things don't go as planned? Only after they've satisfied themselves on these fronts will start seriously considering the big one: will this make me money?

With this in mind, your business plan should contain clear information that details the proposed return on investment, and the timeframes for paying the investment back. Be straightforward and honest, and try to consider all the problems and challenges your business may encounter: if they're not in the plan, it could look like you're not aware of them.

# 6

## Get a second (and third) opinion

The opinion of others is invaluable when it comes to your business plan - no matter how thorough and objective you're trying to be, it's still likely that there's something you've overlooked.

Get perspectives from people who specialise in different areas, and preferably people who don't have a stake in the company: accountants, marketers and other entrepreneurs will all have their own advice and should help you to fill in any parts that your plan is missing.

Don't be afraid to ask for help with your business plan, and take any constructive criticism with good grace - it's much better to spot problems and prepare

solutions for them early on than to have to someone raise them during a pitch meeting. Getting multiple opinions on the document can only increase its attention to detail, and that's always a good thing to have.

This is also a good stage to get feedback on the length of your business plan. While it should cover as much ground as it needs to, it shouldn't be so long that it's off-putting to read it all. If it's starting to look more like a phone book than an exciting proposal for a business, it might be time to start trimming the fat.



## Keep revising it

Never consider your business plan to be finished. Just like your business, the document needs to keep up with the times, adapt to meet new challenges and, occasionally, rethink its approach to a problem. Think of it as a living document that helps to steer your business as it evolves - all the experiences you've had getting set up and launching should feed into the bigger picture of where you're going next.

The great thing about this is that you can start filling in the blanks and assumptions you had to make at the beginning with real data: for instance, you can replace "We predict half of our customer base will respond to

this" with "60% of our customer base responded to this, which means in future we should..." The more hard data based you can get into your business plan, the better it serves you as a reference point.

Another good reason to keep coming back to your business plan is that it acts as a motivator to always be thinking about your company from a number of different angles. As well as keeping you on your toes, this can be a great way to identify the new opportunities that will keep you moving forward.

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## Sources

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