



# SMALL BUSINESS STARTUP

## Creating a Business Plan

Creating a business plan is one of the most important aspects of starting a new business. A business plan can help you focus and clarify your ideas and business objectives, plan for the future and attract investors and funding. While creating a business plan may sound like an overwhelming task, it is actually quite manageable when broken down into a few simple steps. The specifics of each business plan will depend on the nature of the business; however, all business plans should be easy to understand, jargon-free and easy to update. The following sections outline what should be included in your business plan.

### 1. Executive Summary

The executive summary serves as an outline for your business plan. Although this is the first section in a business plan, wait to complete it until all other sections have been completed. It should highlight all main points included in the rest of the plan, including the following:

- Your services
- The opportunity in the market
- Financials and forecasts

Keep it brief and straightforward, but also make sure that it is appealing for investors.

### 2. Business Details

The second section, but first step in creating a business plan is to write down the basic details of your business, including:

- The name of the business
- The registered address of the business
- The business' website
- Contact details, including email
- The legal status of the business (partnership, company, etc)

### Business Plan Table of Contents

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For more information on creating business plans and sample templates, please visit [www.gov.uk/write-business-plan](http://www.gov.uk/write-business-plan).

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### 3. Business Description

In this section, you need to describe the background and vision of the business. This should include:

- When do you plan to start the business?
- What sector the business will operate in (for example, retail or construction)?
- Any related experience you have
- A description of your services
  - What makes your service different and better than all others in the marketplace
  - Why you think customers will prefer it
  - How you will develop it over time
  - Details for any patents, copyrights, trademarks or design registrations you hold or plan to hold

### 4. Business Aims

Lay out what your business aims or goals are in this section. Make sure that your goals and aims are measurable, because you will want to assess them periodically to see if you are meeting them. This section can include:

- How do you want the business to progress in the future?
- What goals do you want to achieve in the next year? Three years? Five years?
- What are your long-term goals for the business?

### 5. Legal Obligations

Write out any legal obligations you may have, such as any:

- Licences
- Insurance
- Health and safety law requirements
- Other legislative requirements

### 6. Market Research

You need to make sure that you have a group of buyers with a common need that you can satisfy at a profit. In this section, provide information about the market research you have conducted on your product or service. Elements to include are:

- Your market knowledge—information on market size, potential for expansion, market trends and any potential customers and competitors in the marketplace
  - One way to get this information is to find similar businesses and potential customers and ask for their feedback through a structured process, such as using a questionnaire.

- Customers
  - Establish the group(s) of customers you want to target. This can include profiling potential customers by age, sex or particular interest. Find out their needs, what they expect to pay and what they are willing to pay for your product or service.
- Competitors
  - Compile a list of competitors and assess their strengths and weaknesses. Specify how you can improve on what they are offering. Show that you have unique selling points that no one else is offering.

## 7. Sales and Marketing

Use this section to show how you will sell, position, promote and market your product to customers. It should include the following:

- A business model describing how you will use the product or service to generate income for your business
- The sales channels you will use to distribute your product or service to the market; for example, phone, Internet or face-to-face
  - Base your sales channels on feedback from target customers.
- A pricing structure outline that details your costs and how much above this price your target customers are willing to pay
- A marketing plan on how you will promote the product or service
  - This does not have to be too specific, as it is typical to have a separate marketing plan.

## 8. Financials

The financial section of your business plan will help you lay out forecasts and projections to determine whether your business will be economically viable. Your financial section should include:

- Estimated running costs
  - Calculate how much you will spend on equipment, premises, materials, stock, transport and insurance and whether you will need to hire employees or not.
- Sales forecasts
  - Analyse customer spending habits and the performance of similar businesses.
- Profits and loss forecasts
  - Outline potential risks, such as rising costs, and list assumptions that support your forecasts.
- Cash flow projections
  - Identify potential shortfalls and determine whether you will need additional funding. If so, know how much and when you may need it.

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Once your business plan has been completed and implemented, make sure to update it when necessary. The business environment is constantly changing, and keeping an updated business plan can help you stay one step ahead of the curve.

For more information regarding how to successfully start up a small business, contact Anchorman Insurance Consultants Limited.