

HOW TO
CREATE

A

BUSINESS
THAT
PLANS?



10 STEPS

**to write a
Business Plan
that really
matters,
and create a
business *that*
plans.**

*All you need is the plan, the
road map, and the courage to
press on to your destination.*
Earl Nightingale

A BUSINESS PLAN IS THE KICK START

all aspiring business owners and entrepreneurs need to transform their idea into an actual business. Writing a Business Plan is not an easy task though, even if your business idea and execution plan are quite clear in your head. Rather than creating a Business Plan, it is quite important that you create a business that plans. A business that knows where it is going, when and how, and most importantly, continuously plans on how to get there and makes adjustments along the way. Your Business Plan should be the consequence of knowing your objectives, doing your due diligence and regularly researching your market. Think of it as a living thing. Creating a business that plans requires discipline, consistency and focus.

TIP
T4B

*"Keep an eye on your three-year goal and your feet on your quarter.
What will you and your team do this week to achieve your quarterly/monthly/weekly goals?"*

STEP 10

WHAT IS THE PURPOSE OF YOUR BUSINESS PLAN?

DEFINE YOUR WHY.

Why do you need a Business Plan?

What is its purpose?

And most importantly:

WHO is going to read it?

HERE ARE THE 3 MOST COMMON BUSINESS PLANS READERS:

- 01 Yourself/Your Business Partner/Your Team** > *This business plan should be the roadmap for you and your team, include in-depth research and all the avenues and strategies to achieve your objectives. This should even include goals and KPIs.*
- 02 Potential Investors/Lenders/Grants** > *This business plan should be more focused on your project feasibility, concrete opportunities and partnerships, and most importantly: ROI (return of investment).*
- 03 Authorities you are seeking approval from** > *Often times Australian authorities require a business plan to grant registrations, authorisations, licences and other approvals. In this case, focus on requirements. Every authority would have different requirements and criteria. Make sure your business plan effectively addresses all of them in a clear way and your data is backed up by evidence.*

YOURSELF

_Focus on your research and trace your plan - be thorough!

_Simple/straightforward explanations on your mission, vision, values, goals

_Focus on defining goals and tracing the strategy to achieve them - detail your marketing strategies and set KPIs

_Be very specific with your target market, in-depth market research

_Know your numbers like no one else, where you want to get, and what problem you solve

_Tick all the legal boxes: licences, registrations, insurance, patent, trademark, contracts, privacy policy

INVESTORS

_Focus on ROI - Return of Investment

_Detailed Financial Forecast Breakdown - Show realistic figures, get your numbers right

_Show industry knowledge/experience – strong founder profile

_Show in-depth market research and exactly where you fit in the market

_Show clear feasibility with evidence and proper resources

_Tick all the legal boxes: licences, registrations, insurance, patent, trademark, contracts, privacy policy

AUTHORITIES

_Focus on backing up with evidence

_Understand requirements and clearly explain how you meet them

_Clear description of product/service and objectives

_Show in-depth market research

_Show your purpose and the benefits your business will bring to the local community

_Tick all the legal boxes: licences, registrations, insurance, patent, trademark, contracts, privacy policy

KEEP IN MIND!

Australian authorities can be quite demanding with their requirements. Yet, they will provide you with plenty of information on how to meet them. Don't be afraid to call these departments for more information – people are often surprised by how helpful they can be.

People do business with people. Your profile as a founder is probably one of your strongest arguments. Invest in your personal branding and highlight your profile in your business plan.

Investors are more likely to invest in businesses built on strong foundations. These could be your knowledge/experience as a founder, realistic numbers and forecasts or concrete prospects and partnerships.

STEP 2

DEFINING THE CONTENT OF YOUR BUSINESS PLAN

Once you know the purpose of your Business Plan, define its content. A good way to do it is to create a Table of Contents first, so you don't leave any relevant information out. We suggest the following main headings for your business plan. Feel free to use them in any order, rename them, remove some or add others, as long as they are relevant to your purpose, your business model and your reader.

- _Business Info*
- _Market Research*
- _Business Operations/ Structure*
- _Financials*
- _Marketing Plan*
- _Legal / Compliance*
- _Business Analysis / Expansion*

LET'S DO THIS
TODAY RATHER
THAN
TOMORROW!



BUSINESS INFO

- ☐ Business name and registration details ABN, ACN, address, trading name, website
- ☐ Your brand
- ☐ Vision, mission, values
- ☐ Products/Services
- ☐ Your differential / competitive advantage

MARKET RESEARCH

- ☐ The geographical market
- ☐ The industry
- ☐ Target market and potential customers
- ☐ Competitors
- ☐ Market share of competitors

BUSINESS OPERATIONS/ STRUCTURE

- ☐ Shareholders (% , skills and profiles)
- ☐ Personnel (skills and positions needed)
- ☐ Workflow
- ☐ Suppliers
- ☐ Import/Export
- ☐ Production process
- ☐ Logistics for product/service delivery
- ☐ Premises, equipment and vehicles
- ☐ Online platform or app design
- ☐ Technology

FINANCIALS

- ☐ Assumptions
- ☐ Sales revenue forecast
- ☐ Profit
- ☐ Cash flow
- ☐ Fixed costs and other expenses
- ☐ Initial investment
- ☐ Investors capital
- ☐ Tax considerations
- ☐ Financing
- ☐ Marketing, training and other budgets

MARKETING PLAN

- ☐ Customer profile
- ☐ Demographics
- ☐ Locations
- ☐ Marketing and Sales Budget allocation
- ☐ Sales Team Strategy
- ☐ Online Marketing Strategy
- ☐ Social Media Strategy
- ☐ Goals and KPIs
- ☐ Action Plan

LEGAL/COMPLIANCE

- ☐ Legal advisors
- ☐ Licence, permits and registrations
- ☐ Insurance
- ☐ Privacy Policy
- ☐ Memberships with chambers or associations
- ☐ Patent
- ☐ Trademark
- ☐ Environmental impact
- ☐ Risk Management

BUSINESS ANALYSIS/EXPANSION

- ☐ Overall business analysis – SWOT
- ☐ Marketing Strategy Analysis
- ☐ Early Stage Analysis
- ☐ Expansion Plan and the Future
- ☐ Going Global
- ☐ Ultimate Business Goal

STEP 3 WHAT PROBLEM DOES YOUR BUSINESS SOLVE?

*The ultimate purpose of any business is to solve a problem for someone. Make sure you understand the problem you solve, you use it as an advertising strategy and clearly understand what your clients need. Bear in mind this is about **what your clients need** and **NOT** what you want to offer.*

LET'S MAKE A LIST!



LIST 3 PROBLEMS

YOUR BUSINESS SOLVES TO YOUR CLIENTS.
(NOT THE SERVICES YOU OFFER)



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NOW BRAINSTORM AND WRITE DOWN A

SLOGAN, QUESTIONS, SENTENCE YOU COULD USE FOR ADVERTISING.



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STEP 4

MARKET RESEARCH

Your market research is probably the most important part of planning your business. Once you have completed a thorough research on your local market, competitors, demographics and have defined your target market, you will inevitably adjust your product/service and also your plans. Thinking that ANYONE could be a potential client is a great feeling, but is quite ineffective when it comes to designing your product and advertising it. When conducting your market research, try to identify:

- _AGE and GENDER of people who are most likely to become a client*
- _Geographic LOCATION of potential clients – main cities or smaller cities*
- _If WEATHER could affect your sales and how to manage that*
- _Who your COMPETITORS are and what type of market they target*
- _Companies that are not your direct competitors yet, but are in the industry and could POTENTIALLY START OFFERING your service/product*
- _The PRICE RANGE you will operate in and who are your competitors within that range*
- _The PROFILE of your potential customer – their interests and likes, places they go to, things they read and watch*
- _The potential growth of the INDUSTRY you are inserted in - economic scenario and trends*

TIP T4B

“Put your product/service out there. Your market research must always include offering people a “taste” of what you sell in exchange for their feedback. More than industry figures, this is what will give you a real feel of how people react to your product/service.”

USEFUL WEBSITES

AUSTRALIAN BUREAU OF STATISTICS | [HTTP://WWW.ABS.GOV.AU](http://www.abs.gov.au)

ROY MORGAN | [HTTP://WWW.ROYMORGAN.COM](http://www.roymorgan.com)

IBIS WORLD | [HTTPS://WWW.IBISWORLD.COM](https://www.ibisworld.com)

STEP 5 BUSINESS STRUCTURE / OPERATIONS

YOUR STRUCTURE AND YOUR PEOPLE - *When defining your key personnel, consider your own skills. What are you good at? And most importantly, what are you NOT good at? Hire people with skills that complement yours. Have your business goals in mind when determining your key personnel. If your business is in the technology industry, make sure you have a strong technical team. Do not underestimate your sales and marketing team and make sure your key personnel are aligned with your objectives and your values.*

EFFICIENT OPERATIONS - *Spend time and resources designing your operations to be as lean as possible, study different business models, choose your suppliers and distributors very carefully. Operating effectively and efficiently will give you a differential in any industry, will have a major impact in your finances and will define the ultimate customer experience, determining whether you will have loyal clients.*

TIP T 4 B

"Think about the worst experience you have had as a customer. It was most likely due to inefficiency or bad service. What systems will you put in place to ensure that something like that never, ever happens in your business?"

WHAT ARE YOU NOT GOOD AT?



LIST 3 SKILLS

YOU ARE NOT SO GOOD AT. THEN, DETERMINE WHAT TYPE OF
PROFESSIONAL WOULD BE KEY IN YOUR ORGANISATION.

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STEP 8 FINANCIALS

GET YOUR NUMBERS RIGHT

- _Understand your PROCESS inside out.*
- _Know your costs. Include your time in your costs!*
Define an hourly rate for yourself.
- _Do your BREAKEVEN ANALYSIS*
- _Know your COGS – Cost of Goods Sold*
- _Know your FIXED and VARIABLE COSTS*
- _Know your competitors' numbers*
- _Understand the AUSTRALIAN TAX SYSTEM and how it affects your business*
- _Understand GST*

TIP T4B



“Fixed costs: if it depends on your sales, it’s NOT a fixed cost.”

“A break-even analysis tells you the minimum revenue you need to keep your business running.”

PROJECT YOUR INCOME AND COSTS FOR THE NEXT THREE YEARS

SALES & EXPENSES PROJECTIONS

	YEAR 1	YEAR 2	YEAR 3
SALES REVENUE			
TOTAL ON SALES			
EXPENSES			
ACCOUNTANCY			
ADVERTISING			
BANK CHARGES/MERCHANT FEES			
CLEANING			
COGS COST OF GOODS SOLD			
COMPUTER SOFTWARE & EXPENSES			
CONTRACT WORK			
ELECTRICITY			
FREIGHT & CARTAGE			
GAS			
HIRE OF PLANT & EQUIPMENT			
INSURANCE			
LANDSCAPING & GARDENING			
LICENCES, REGISTRATION, PERMITS			
MOTOR VEHICLE			
OTHER			
OTHER			
OTHER			
PEST CONTROL			
POSTAGE			
REPAIRS & MAINTENANCE			
SECURITY			
STAFF SUPERANNUATION			
STAFF TRAINING & AMENITIES			
STAFF WAGES			
STATIONARY			
TELEPHONE & INTERNET COSTS			
WORKERS COMP COVER			
TOTAL EXPENSES			
PROFIT BEFORE TAX			
TAXES			
PROFIT AFTER TAX			

CAN YOU IDENTIFY YOUR FIXED AND VARIABLE COSTS?

NOW YOU CALCULATE YOUR GROSS PROFIT AND
DO YOUR OWN BREAK-EVEN ANALYSIS

TIP T4B

"Gross profit = (sales revenue - costs of goods sold)

"Gross profit margin = (gross profit ÷ sales revenue) x 100 [to get it in %]

"Gross profit margin = (gross profit ÷ sales revenue) x 100 [to get it in %]

"Break-even point (analysis) = (fixed costs ÷ gross profit margin)

VOILÀ!

STEP 5

MARKETING PLAN

DEFINING YOUR TARGET MARKET

TIP T4B

"Thinking anyone can be your client doesn't help your marketing strategies."

WHAT EVERYONE DOES

_Look at direct/local competitors

_Explore the area where business is located

_Define a broad spectrum of target market and potential clients

WHAT YOU SHOULD DO

_Look at POTENTIAL COMPETITORS – people in your industry who are not offering what you offer just yet, but either have potential, interest or the resources to do so in the near future. Get there first. Consider partnering with them if necessary.

_Look at your INDUSTRY NUMBERS from reliable and up-to-date sources.

_Do not limit your business to your location.

*_Be SPECIFIC about your TARGET MARKET. Know who your potential clients are, understand where they go, what they do, what other things they buy, where and how they look for information. **Be where your clients are.***

STEP 8

LEGAL/ COMPLIANCE

**HERE ARE A FEW BOXES YOU MAY HAVE TO TICK
WHEN IT COMES TO LEGAL REQUIREMENTS AND
COMPLIANCE.**

*_Shareholders agreement & other contracts
(employment, contractors, suppliers)*

_Privacy Policy

_Insurance (Public liability insurance / Work cover)

_Key personnel salary award - <http://fairwork.gov.au>

_Business Name Registration

_Trading Name Registration

_Patent

_Trademark - <https://www.ipaustralia.gov.au>

_Licences

**AND EVERYTHING ELSE FOR YOUR PEACE OF MIND...
THESE WILL VARY GREATLY DEPENDING ON YOUR
CORE BUSINESS ACTIVITIES.**

STEP 8

BUSINESS ANALYSIS/ EXPANSION

Whereas there are plenty of tools for business analysis out there, not all of them would be suitable for your business. Take the time to look into them, do your own research! Here are a few of our favourites and we suggest you have a look at them in detail. They might give you the insights you are looking for.

GOOD OLD **SWOT** ANALYSIS IS ALWAYS QUITE HELPFUL.
STRENGTHS – **W**EAKNESSES – **O**PPORTUNITIES – **T**HREATS

TIP T4 B

"It might be a good idea to have your team write down their own SWOT analysis of your business, then share it in a meeting. You'd be surprised at the different threats and opportunities they may find in different departments!"

LET'S GET
SOME
INSIGHT!



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A FEW OTHER BUSINESS ANALYSIS TOOLS YOU MAY FIND USEFUL:

*External Analysis – **PESTLE***

Political – Economic – Sociological – Technological – Legal – Environmental

*Early Stage Analysis – **HEPTALYSIS***

Market Opportunity, product/solution, execution plan, financial engine, human capital, potential return, margin of safety

*Competition Analysis - **Porter's 5 Forces***

Threat of new entrants, bargaining power of suppliers, threat of substitutes, bargaining power of buyers, industry rivalry.

*Product Analysis – **Marketing Mix 7P's***

People, processes, product, physical evidence, promotion, price, place.

DO YOUR RESEARCH! BE PREPARED!

STEP 1

CREATE A BUSINESS THAT PLANS

TIP T4B

"You only get what you measure! Work on your KPIs!"

"Spend 10 minutes planning your day, spend 30 min planning your week. Save countless hours of unproductive work."

By creating a business that plans, planning and strategising becomes an integral part of your organisation. It's part of your culture. It drives everyone to move forward, most importantly, aiming at the same target.

Last but not least, you should have a look at the 4 QUADRANTS FOR TIME Management by Stephen Covey – author of The Seven Habits of Highly Effective People. This will help you manage your time to ensure you spare time to work ON your business.

FINAL CHECKLIST

QUESTIONS YOUR BUSINESS PLAN SHOULD ANSWER:

How much do you need to make monthly to keep your business operating?

Who exactly are your potential clients?

Who are your competitors and potential competitors?

Which Social Media is relevant for your Business?

What are your keywords for SEO?

Who will be your key people?

How will you make money?

What problem do you solve?

What's your business impact? Your contribution to the world?

THANK

YOU



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