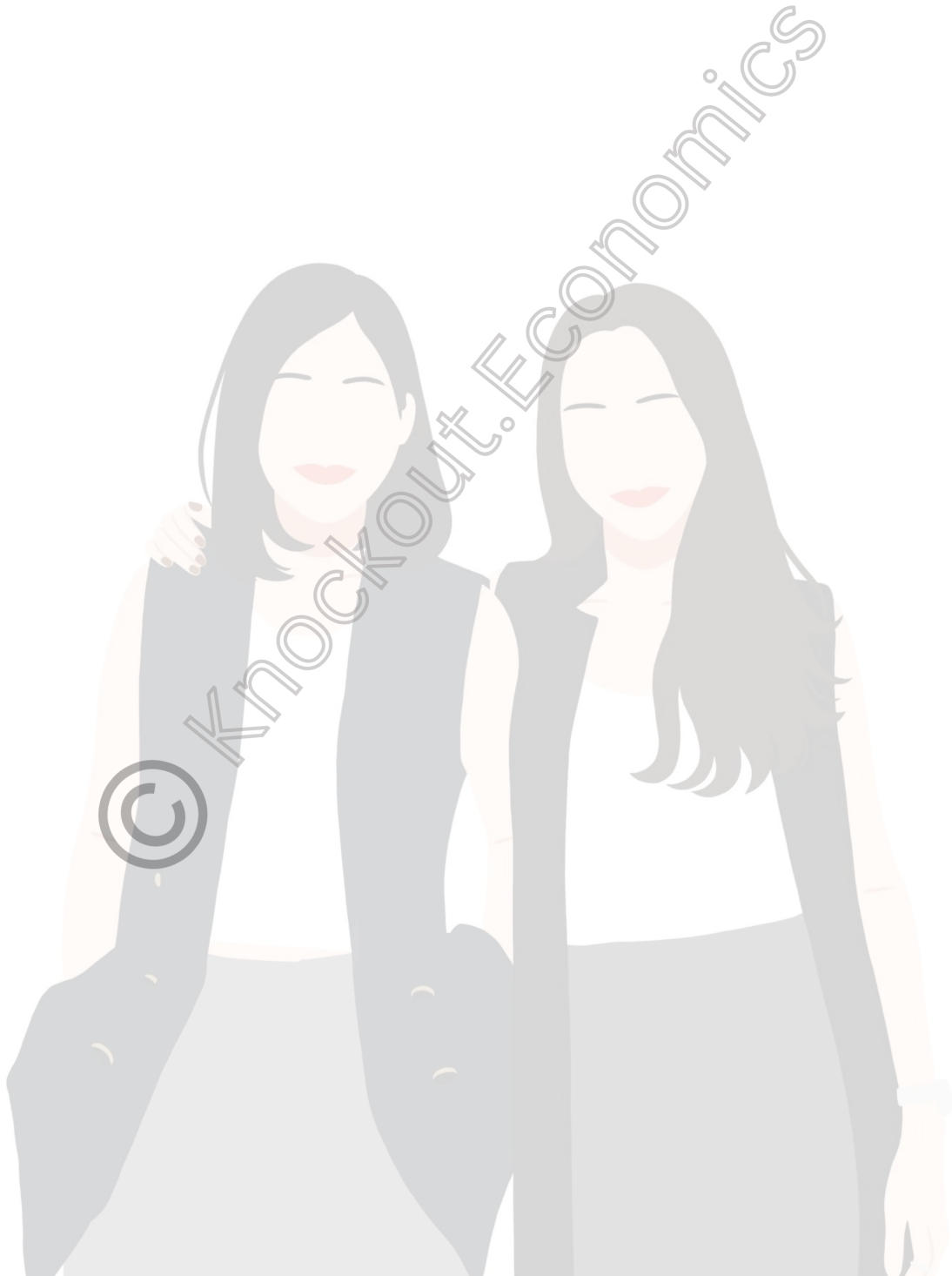


Chapter 23 Planning

Key terms

1. Business plan: a documented plan for the development of a business, giving details such as the products to be made, resources needed and forecasts such as costs, revenues and cash flow.
2. Undercapitalized: a business with insufficient capital to run effectively.



1. Business plan

- Business plan: a documented plan for the development of a business, giving details such as the products to be made, resources needed and forecasts such as costs, revenues and cash flow.

2. Contents in business plan

- 1. An executive summary** : overview of business startup and summary of the whole plan.
- 2. Elevator pitch** : entrepreneurs will be expected to tell others about their business idea.
- 3. The business and its objectives** : state the name of the business, trading oldness legal structure and its objectives.
- 4. The business opportunity** : explain what the business plan to sell.
show what products look like.
- 5. Owners' background** : is a number of people will be interested in the entrepreneurs who set up business e.g. investors, bankers
- 6. The market** : show size of potential market, customer profile
↳ This section helps to decide on advertising, promotion, social media and business website
- 7. Personal** : to clarify the number of employees needed and the skills and qualifications and experience that will be important.
- 8. Premises and equipment** : to identify a place which to trade and a wide range of physical resources. e.g. furniture, decoration.
- 9. Costing and finance** ; working out how much it will all cost.
- 10. Financial forecast** : It includes sales forecast, cashflow forecast, profit & loss forecast
- 11. SWOT analysis** : This involves looking at the internal strengths (S), weakness (W), external opportunity (O) and threats (T)

3. The purpose of business plan

- To support application for funding
- To follow strategy in the business plan in order to achieve goals

4. The relevance of business plan. (well-written business plan)

1. Force owners to take an objective , critical and unemotional look at the whole business idea.
2. Provide strategy for the development of the business
3. Provide action plan and identify key tasks.
4. Highlight problems
5. Show money lenders and investors that the owner is realistic, responsible, serious and trustworthy.

