

Business Plan - Guidelines

**Name of the company**

Name of the entrepreneur

Address

E-mail

Website

Logo

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# PRELIMINARIES

This document provides guidance on the elements that are normally covered in a business plan. The business plan consists of three elements:

* *Introduction* to your business: a short overview of your business.
* *Operations* of your business: in-depth information about issues like processes, sales, team, finances, etc.
* *Project* that you need investment for*:* How does this project lead to growth of your business, impact of the project, funds needed, etc.

The Business Plan is an important document for the investor. It should present a clear picture for the investor of how and why the business came into existence, what the position of your business is in the market, and why investment in the project is needed to realise further growth of the business. The Business Plan should reflect the reality on the ground in the business.

This template is not mandatory. You are free to use another template for your business plan. We especially recommend this in case you already have a business plan. If you already have a business plan, you can use this document to check whether your existing business plan has all the needed information.

# INTRODUCTION OF THE BUSINESS

This chapter gives the reader a first insight into your business.

## Information about the company

|  |  |
| --- | --- |
| Name |  |
| Website |  |
| Contact person |  |
| E-mail |  |
| Telephone |  |
| Date of incorporation |  |
| Enterprise number |  |
| Enterprise bank account |  |

## Management summary

This summary highlights the main parts from the business plan and the projects you need funding for and should encourage investors to read the whole business plan and enter into discussion or negotiation with you.

Although the Business Plan starts with the summary, it is written at the end. You first need to write down all the information in the next chapters before you can write the summary.

## Short history

Describe shortly how the business developed from the date of establishment until now.

* When did the business start?
* Why did you start your business?
* What milestones were achieved?

## Vision, mission and values

1. *Vision*

Why does the company exist? What is the ultimate goal of the company in the long term? The vision should inspire and guide the team.

1. *Mission*

Definition of the company's business, who it serves, what it does, its objectives, and its approach to reaching those objectives ( it should be short: 1-3 sentences)

1. *Values*

The concepts that guide your business and that represent your commitment. Business values can help you make decisions, foster a culture of teamwork and collaboration. Maximum 5 values, with an example of why they are important to you and/or how you apply them. Examples of values are integrity, fun, diversity, innovation, quality, honesty, etc.

## The enterprise

1. *General description*
* Where is your company based, some information about the building, do you own the building/plot?
* How is your company registered, who are the shareholders, how did you finance the start?
* Which processes do you use? Which technology do you use? Which machines and equipment do you have?
* How innovative is your business, or do you plan an innovation?
* How are your sales organized, to whom and where do you sell?
* How are logistics and distribution handled?
1. *Future*
* What are your plans for the short and the long term, regarding market growth, growth of the business, innovation of your products or processes?
* What are your prospects for growth?
* Formulate goals for the short term, (1 year) and for the long term (3 to 5 years). The goals should be formulated in a SMART way (Specific, Measurable, Achievable, Realistic, Time-Bound) So, not "I want to sell more", but "by 2025 I want to get 20% more revenue from B2B sales."

## SWOT analysis & risk management

A SWOT analysis gives clarity about the Strengths, Weaknesses, Opportunities and Threats in your business.

* What are the weaknesses and the strengths of your business (internal)?
* Which threats and opportunities arise in the external environment (economy, politics, climate, culture, etc.)?
* Which actions are being taken to exploit the strengths and the opportunities?
* Which actions are taken to mitigate or improve the weaknesses and threats?

|  |  |
| --- | --- |
| Strengths (internal)--  | Weaknesses (internal)-- |
| Opportunities (external)--  | Threats (external)-- |

*Risk management*

While the SWOT analysis focuses on the current state of the business, it is also good to reflect on threats in the future. We call these risks. It is important to have a plan to mitigate risks in case they actually occur.

* Which general external risks do you see? E.g. politics, inflation, pandemic, natural disasters. How serious are these risks to your business and what will you do to mitigate them?
* Which external risks do you see in the market? E.g. new competitors, lower sales than expected, scarcity or increased prices of of inputs. How serious are these for your business and how are you planning to react on these risks.
* Which internal risks might happen? E.g. illness of the owner/managing director, key staff members leaving, breakdown of machinery. How serious would these be for your business and how are you planning to deal with these risk if they occur?

# BUSINESS OPERATIONS

This chapter provides more in-depth and detailed information about all parts of your business.

## Business model

*A. Product/service & unique value proposition*

* What products or services do you offer?
* Which problems or needs does it solve?
* How unique is your product or service? What advantage does it offer compared to competitors/substitutes?

*B. Customers, channels and customer relationships*

* Who are your customers? How do you know your product/service fulfils their needs or solves their problem?
* Describe your customers as concretely as possible in customer groups (e.g. "middle class women between 20-30 without children")
* Which communication channels do you use to reach out to your customers? Do you develop a long-term relationship with your customers and if so, how?
* Which distribution channels do you use? How do your products/service reach the customers?

*C. Income and expenses*

* What are your most important income streams?
* What are your most important cost items?

*D. Key activities, resources and partners*

* How are your products/services created? What do you produce yourself and what do you outsource?
* Which resources (people, assets, money, etc.) do you have and what do you need?
* With which partners do you work (suppliers, sellers, advisors, etc.)?

## Market, competition and environment

1. *Market and market potential*
* What does your market look like? What is the size of the market? What is your potential market? Do you have evidence of market potential or are these based on assumptions?
* Do you want to expand your presence in the existing market, or do you want to target new markets? If so, describe the new markets and why you see potential.
* Did you do a market study?
* Which conditions are critical to conquer the market?
1. *Competition:*
* Who are your main competitors?
* What is their aim and vision? What do they offer the market?
* What are their strengths and weaknesses?
* How do you differentiate from the competition?
1. *Market analysis and trends*
* How did the market develop in recent years?
* What are trends/evolutions in your environment that can affect your company? Think of social, economic, technological, sectoral trends.

## Sales & Marketing strategy: The 5 P’s

1. *Product (or service)*
* Why will your product be successful? How do you ensure that your products/services meet the needs of the market?
1. *Place*
* Where are the products sold? Is this market location favorable?
* Why is that the best place to sell your product?
1. *Price*
* Determination of cost price and sales price, price policy, vision
* How do you position yourself in the market in terms of pricing strategy?
* What is the sales price and what is the cost price (and what is the margin)?
* If you sell different product (groups) provide the information per product(group).
1. *Promotion*
* How will you promote and market your product?
* How will you maintain customer relationships?
1. *Personnel*
* Do you have a good sales & marketing manager or how do you plan to attract one?
* Do you have a good sales & marketing team? How are they supervised?

## Team and organisation

1. *Management team*
* Who is in your management team?
* What is their education, work experience, qualities and skills, etc.?
* Which profiles are missing? Which knowledge, experience and skills are needed?
* How do you plan to recruit additional management team members?
1. *Personnel*
* How many people are employed? Full time or part time? On a contract basis or daily fees?
* What are the qualifications of the personnel? Do you have personnel with the right qualifications or do you need to attract other or more people? How will you do this?
* Do you have a Human Resource policy?
1. *Organigram*

Provide an organigram that visualizes the structure of the company, and the division of tasks and responsibilities.

1. *Other stakeholders*
* Do you have a Board? What is the role of the Board? Who are in the Board? How often does the Board meet?
* Do you have investors?
* Are there any advisors involved (formal or informal). What do they advise on? Is it ad hoc or structural?
* Etc.

# THE PROJECT

This chapter provides information about the project that you need external investment for.

## General description

* What is the project that you plan to implement and for which you are looking for external funding?
* What is the current situation and how will the project help to develop and grow your business?
* How long will the implementation of the project take, when will it start? What will the implementation look like?
* What do you aim to achieve with this project? Expansion of production, improvement of products, more efficient production, etc.?

## Impact

* What is the social impact of the project? Which target group will benefit from the project and how?
* What is the environmental impact of the project? Will it have positive results for nature, climate, biodiversity, water, etc.?
* What is the economic impact of the project? Will it create jobs? Will you employ more people and/or generate income for suppliers?

The project should at least have a positive impact on one of the above-mentioned areas (social, environmental, economic)

## Financial

1. *Investment plan*
* Which investments are needed and why?
* Phasing: Which investments are needed now, and which are needed later?
* Provide evidence for the needed amounts (e.g. quotation for a machine)
* How will you monitor the investment plan?
1. *Financial plan*
* How are you planning to finance the investment plan?
* The financial plan should demonstrate that the investment leads to increased revenue and growth of the business.
* Mention basic figures in the business plan (see table below) and detailed figures in the financial plan.
* Analyse your cash flow and give arguments why you need external finance and cannot fund the investment from your own income.
* How will you monitor the financial plan?

Complete the table below manually or copy this information from your financial plan.

|  |  |  |  |
| --- | --- | --- | --- |
| **Financial plan** | **1st year** | **2nd year** | **3rd year** |
| Contribution by local enterprise |  |  |  |
| Local bank loans, interest rate |  |  |  |
| Loans from Family & friends, interest rate |  |  |  |
| Loans from abroad, interest rate |  |  |  |
| Grants |  |  |  |
| **Total** |  |  |  |
| Income |  |  |  |
| Outgoings |  |  |  |
| Gross profit |  |  |  |
| **Net profit** |  |  |  |
| **Break-even turnover** |  |  |  |
| **Cash flow end position** |  |  |  |

You distract the figures above from your detailed financial plan. Use the OVO financial plan template for this.

## What is requested from OVO?

1. *Financial*
* How much is the entrepreneur requesting from OVO? What will it be used for?
* How much will the entrepreneur contribute to the needed amount for the investment?
* Will there be other investors approached next to OVO? For what and for which amounts?
1. *Expertise*
* What kind of expertise do you need to make the investment a success? (technical, marketing, etc.
* In what way do you want to continue coaching?