



› Driving the economic development of Queensland ‹

Business planning

Planning is simply:

1. Identifying what your current situation is (where are you now?).
2. Deciding where you would like to be in the future (what are your goals?).
3. Identifying the best ways of achieving your goals (how to get from “A” to “B”).

Why have a business plan?

Planning the direction of your business is the key to its success. A number of studies have shown that businesses with a documented business plan are much more likely to profit, grow and survive.

1. A business plan will increase your profit

Famous consultant Peter Drucker says: “What gets planned, gets done”. If you build a sensible plan for increasing your profits, you have a much better chance of making more profit than if you don’t have a business plan.

2. A business plan saves you time, work and stress

You avoid wasted time, costly mistakes and lost opportunities. A plan helps you to identify problems before they happen and turn them into opportunities. So it cuts your stress – good planners get more fun out of life.

3. A business plan will impress financiers and investors

Financiers and investors are much more likely to invest or lend their money towards your business venture if you have a well-researched, planned and documented business plan.

4. A business plan will help you set priorities

Every business has a limit on the resources that can be committed to different activities – you can’t do everything at once. A business plan helps you to prioritise how you will allocate your time, money, equipment, consumables and other resources so that you maximise your profit.

Business planning options

You have two main options if you want to develop a business plan:

1. Do it yourself - invest time and effort in:
 - Learning how to develop a business plan.
 - Researching and gathering information.
 - Using this information to develop a logical and achievable business plan.
2. Hire a consultant – invest money and some time in engaging a business advisor to research and develop the plan for you.



| Option | Advantages | Disadvantages |
|-----------------------|---|--|
| DO IT YOURSELF | <ul style="list-style-type: none"> You gain an intimate understanding of your business plan – this ensures that you know how to implement your plan. You gain a much better understanding of how your business really works (and how you can make more profit). You gain skills that are useful when running other aspects of your business. Costs much less. | <ul style="list-style-type: none"> You may not have the all of the skills that you need to develop a profitable business plan. You will need to invest a lot of your time, especially if you are learning “from scratch”. |
| CONSULTANT | <ul style="list-style-type: none"> You gain the skills of capable professionals who will improve and fine-tune your plan. You save a lot of time that you can otherwise devote to your business. | <ul style="list-style-type: none"> You are not as confident and capable when implementing your plan. You miss the opportunity to gain a better understanding of your business. Costs much more. Your business advisor may not know your business as well as you. |

A third option is to develop your business plan using a combination of both options. Consider hiring a consultant to provide the guidance and expertise that you don't have. Share your research and planning tasks with your consultant. When you implement your business plan, both you and your consultant will be familiar with it and you will be able to rely on their guidance and expertise to make it work.

What's in a business plan?

1. Executive summary – an overview of the whole concept or business

This should be the first section of your business plan but the last one that you prepare. It outlines the key points of your business plan in one page.

2. Business profile – the business of your business

Details of your business – name, location and purpose

3. Product/service and market analysis – the market and your position in the market

Identifies, describes and analyses the products and/or services that you provide, your market and market share.



› Driving the economic development of Queensland ‹

4. Marketing plan – selling your products/services

Marketing strategies, product decisions, market segmentation, pricing policies and methods of payment, distribution, advertising and promotions. Who your customers are, what and why they buy from you.

5. Operating plan – how the business works

Summary of how your products are made or how your services will be provided, premises and lease terms, plant and equipment, materials, labour, technology and environmental concerns.

6. Management and personnel plan – your skills and experience

Reviews personnel functions, job descriptions, policies (including employment/dismissal and anti-discrimination guidelines), workforce planning, skills development and training.

7. Finance plan – your investment and expected turnover and estimated profit

Lists business establishment costs, break-even sales levels, profit and loss and cash flow projections and funding arrangements including sources of funds and if being used for a finance application, how these will be repaid.

8. The action plan – doing it

Identifies the activities and tasks needed to achieve your goals, the resources that are needed, personnel who are responsible for tasks and timelines.

9. Risk analysis and contingency plans – “what if?”

Identifies potential impacts on your business (positive or negative) such as a greater market demand or a depressed economy. Contains contingency (what if) plans that you can follow to avoid losses or make the most of opportunities.

10. Appendices

Includes information to support or expand any of the above, such as business references, customer testimonials, qualifications, detailed product information, marketing research data, environmental audit procedures, financial projections and statements, contracts and legal documents.

Who can help?

Your local State Development Centre can provide you with confidential and free advice or refer you to the most appropriate source of specialist advice - telephone 13 26 50.



› Driving the economic development of Queensland ‹

Further information

The following fact sheets provide further information on these issues:

- Balanced scorecard
- Benchmarking
- Benefits of e-commerce
- Best practice
- Business communications
- Business finance options
- Business growth tips
- Business image
- Business licences and permits
- Business management tips
- Business values
- Business vision – introduction
- Buying a franchise
- Change management
- Conduct a SWOT analysis
- Control your expansion
- Develop a mission statement
- Develop a succession plan
- Exporting
- Financial analysis overview
- Financing your small business
- Good management
- Home based businesses
- Importing products
- Location and premises
- Manage business growth
- Management pitfalls
- Project management
- Risk management
- Set achievable goals
- Starting a business
- Supply chain issues