



South Dublin County  
Enterprise Board

# Business Plan

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# 1 - Foreword

South Dublin County Enterprise Board exists for just one simple clear purpose; to help you to start and grow your own business in our county.

South Dublin is a great place to do business. We have a large, young population of our own, with immediate access to a market of 1.5 million people. We have a terrific modern infrastructure and we have world-class business supports.

We understand that the future of our local community depends on people who can innovate, who can make things happen, who are willing to take business risks— people like you.

This series of guidebooks is part of our support for entrepreneurs and owner/managers like you.

The series includes titles on:

- » Business Start-up
- » Business Marketing
- » Your Business Plan
- » Managing Business Finances
- » Your Business and the Law
- » From Redundancy to Self-Employment

They are there to summarise and simplify each topic and can be used on their own or as a preparation for some of our other services such as training or mentoring.

Whether you are already up and running, with ambitions to develop and grow, or just beginning to work towards starting your own business, South Dublin County Enterprise Board have a comprehensive range of supports covering all of the key issues in enterprise development. These supports include:

- » Information to help you start or grow your business, in the form of our website and a range of publications such as this one
- » Training courses in starting a business and a range of management skills
- » Mentoring support for business planning and specific management issues and projects
- » A range of financial supports
- » A range of business development networks

Contact us on 01 4057073 or [info@sdenterprise.ie](mailto:info@sdenterprise.ie) to discuss your needs and plans.

**Loman O'Byrne**

*Chief Executive, South Dublin County Enterprise Board*

## 2 - Why prepare a business plan?

Business planning is fundamental to success in business. It is the key to getting things done and making things happen. Putting it down on paper is the first step to translating the ideas in your mind into concrete realities. The finished business plan becomes an operating tool that will help you to manage your business and work towards its success. A good, well organised plan will tell you if your idea makes sense. It is also the first marketing aid that you will use to persuade interested third parties such as investors, banks and the state agencies of the potential viability of the business.

What will the plan do for you?

- » It will act as a map for the business.
- » It will assist you with management control.
- » It will help you brief key employees.
- » It will help you secure financing.

### Points to Bear in Mind

#### Own the content

By preparing the plan yourself you will “own the content” and identify problems that are likely to arise. This will help you to think of solutions in advance. If you have a partner in the business it is a good idea for you to work through the plan together. You will get an idea then of how you will work together in the business.

#### Ensure the plan fits you

If the small business is an “extension of the owner manager” then the plan must capture your personal motivation and direction. There is no use preparing a plan that is in direct conflict with what you really want from business or life over the coming years. Not everything has to be committed to paper. It is more important that you have thought the issues through and that you and your family are comfortable with the direction, structure and pace of growth planned for the business.

#### Be realistic – err on the side of caution

Be careful about producing figures or projections that are clearly at odds with the experience of others in the same business. If you present a case which shows a net profit of 10% of sales when the average in the industry is 4%-6%, you will have to be able to show how you are going to achieve the difference. Remember the importance of realism. Over optimistic forecasts will put your investment at risk.

#### Be clear in your objectives

If the plan is to provide you with a direction then your objectives and goals should be clearly stated, realistic and attainable. They must be clear to the reader. They are in effect a measure of your ability to deliver as a manager.

#### Nothing will go exactly as planned

During the process of starting up and operating your business you will encounter various problems which cannot be foreseen. If you have a documented plan with identifiable goals, you will be able to see the difference between what is actually happening against what you had planned would happen. This gives you control over the situation and enables you to decide more clearly the corrective action needed to put yourself back on course.

#### Presentation

The plan should be typed with a table of contents. It should be written to communicate rather than to impress, easy and simple to follow, with accurate text and figures.

## 3- The Structure Of The Business Plan

A good business plan will contain the following sections:

### Executive summary

The executive summary is an overall view of your business and its' potential. It is a very important part of the plan. Many readers of business plans tend to skim through sections which are not of particular interest to them and focus only on the areas in which they have specialist knowledge. They will, however, always read the executive summary. It is essential, therefore, that you present the essence of your plan in a few short paragraphs at the start so that, even if much of it goes unread, the thrust of what you intend to do, your objectives and the way you are going to achieve them will be clear to the reader. It is important to highlight the ways in which the plan meets the assessment criteria of the reader.

### Background and description of the business

In this section you should set out the rationale behind the business. If the plan is for an existing business, this section will provide a brief synopsis of the business history to date. It is important to present the reader with a clear, unambiguous statement of what you propose to make or sell and why you perceive this product or service to be appropriate at this time.

### Management and organisational structure

In this section you should detail how your company will be organised and managed. Clearly link the people in the business to the objectives set out in the plan. If the business is going to be initially organised and run by you as a sole trader, state this and provide a brief resume which summarises your relevant experience and establishes your suitability for the business. If you are planning to set up a larger company with a management team you must provide much greater detail of its organisational structure. This should include information about professional advisors and / or technical experts you have retained to help you overcome particular weaknesses and provide you with on-going advice and assistance as you develop the business.

### Market research and the marketing plan – is there a market for the product or service?

- » You may have collected your information for this section in a variety of ways. It is possible that you have obtained advance purchase commitments from buyers. You could be a retailer who has based your market research on a study of traffic and pedestrian flows, activity patterns and competition. If you are a painter decorator you might have piloted the service for a number of months and now have a good basis for setting a realistic sales target. Whatever your business or method of researching it, you should now be in a position to answer the following questions.
- » **Demand** – This includes both the need for your product or service and the extent of this need. Evidence of the need must be clearly shown. You should also indicate whether your product or service is a repeat item which will be purchased again and again by your customers or whether sales will be once-off. Say too if the product or service is likely to be in demand over a long period of time or if it is a short lived “fad”
- » **Target market** – This is the market you intend to seek for your product or service. The larger your potential market the better but, more importantly, you need to know if it is growing, levelling out or declining.
- » **Competition** – Regardless of the product or service that you offer you will always have competition. Reaction by your competitors may alter some of the assumptions you have made in relation to price, service, promotion or advertising.

### Product Range

Detail the product range or service that will be introduced. It is important to highlight the Unique Selling Points (USP) of your product or service. It may be a totally unique product for instance; it could be a service which includes specialised knowledge; it could be very keen pricing.

## Pricing Strategy

Pricing has to be carefully considered because the price you select has an important effect on the image of the product or service you are offering. If you choose one price it positions your product for one market. At a lower price or a higher price the same product would be perceived entirely differently.

## Channels of distribution

You must decide the geographic area in which you will market your product or service and whether it is better to sell directly yourself, go to retail outlets, or use wholesalers. You can sometimes beat the competition or generate much more profit by using a unique distribution system.

## How the product or service will be promoted

The promotion of your business is divided between advertising, personal selling and sales promotion.

- » Advertising: Specify in the plan the papers, magazines, directories such as Golden Pages, radio, TV or the Internet that you have identified as most appropriate for targeting your customers. The advertising message should be planned carefully and repeated consistently for optimum impact.
- » Personal selling: A personal selling strategy is particularly effective and necessary when a product must be explained in order that it is fully understood by the potential customer.
- » Sales promotion: Sales promotion includes such schemes as free samples, contests and introductory offers. It is very important to link promotion to your cash flow.

## Sales Management

- » Who will conduct the selling for your business and have they been professionally trained to sell?
- » What selling methods will you employ, for example telephone selling, cold calling, following up leads from mailshots, advertising, a website, etc?
- » What sales volume and activity targets, such as calls per day etc, have you set for each salesperson or selling method?
- » How long is the sales process – from the customer becoming aware of your product or service, to making the buying decision, receiving the product or service and finally paying for it?
- » What procedures do you have for handling customer complaints?
- » Will you make the product yourself or buy it in ready to sell or as components for assembly?

## Sales forecasts

You will need to prepare a sales forecast on which you can base monthly cash flows and budgets. While it is not always easy for a start-up company to accurately project sales you should use your market research to give as clear a picture as possible. The realism of the assumptions behind your sales forecasts is one of the most critical factors in the success or failure of the venture. Make sure you give sufficient time to this.

## The operations' plan – how will you guarantee product/service quality?

"Operations" is the general name given to all the activities required to implement strategy. Once you have decided what to sell, to whom and at what price, you may still need to find someone to make your product, sell it and deliver it. Do not confine this section of your plan to a list of the equipment you are proposing to purchase. Describe instead the type and function of the equipment so that the reader will have a clear image of your operational environment.

If the business is manufacturing, describe the process to be used and, if appropriate, explain how your principal competitors go about their manufacturing. Include the following information.

- » A description of the equipment that will be required and its capabilities.
- » A drawing of the layout of your production unit showing the path of materials and finished goods.
- » Procedures for monitoring and controlling quality.
- » Raw material sourcing – list your principal suppliers, the terms of trade and any possible vulnerability in this area.
- » Employment – the proposed number of employees, if any, and the initial training to be provided.

## The financial plan – is this business viable?

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This section of the business plan will provide the reader with the following information:

- » The total funding required to start the business and the source/s of the funding;
- » A detailed set of cash flow forecasts for the business;
- » A projected profit and loss account;
- » Details of the costing and pricing of your product or service.

# 4. - Guide To Completing The SDCEB Business Plan Template

The South Dublin County Enterprise Board has prepared a Business Plan Template, in Microsoft Word format, which can be downloaded from our website, [www.sdenterprise.ie](http://www.sdenterprise.ie). You will find it in the “Downloads” section by clicking on “Business Planning Guide and Templates” in the left-hand column.. It contains the structure of a business plan with cover page, headings, headers and footers. However, you must add the content yourself. There is also a spreadsheet template in Microsoft Excel format, into which you can enter all the sales/income and cost/payments projections for your business. The template will automatically produce a set of projected financial statements based on the figures you enter. This template is available in the same location.

It is also perfectly possible to create most sections of a new business plan based only on the notes in the following section of this publication. However, it is not the role of this document to provide detailed instructions for the construction of cashflow projections and projected financial statements, so you will either need to have this expertise yourself or have access to it through a financial adviser.

Some of the sections in our template and the following notes may not be applicable to your business depending on its scale and complexity and if this is the case, please indicate with N/A as appropriate.

**Cover Sheet:** Complete the cover sheet of the plan to include business name, address, contact person, date etc as shown

**Header & Footer:** Edit Header & Footer as shown to include the Company / Business name, year & logo if applicable.

**Confidentiality Agreement:** It is usual to insert a confidentiality clause similar to the one shown. However you can amend this to your requirements.

Table of Contents: As shown. Amend to reflect your actual plan where / if necessary.

## 1. Executive Summary

The Executive Summary is an overall view of your business and it's potential. It is a very important part of the Business Plan. It should not be completed until the business plan is written. It should be brief and to the point. Since the Executive Summary is normally the first part of the plan an investor will read, it needs to be well written and stand out from the many other plans an investor will have received.

It should provide the following information:

- » Business name, owners and location of the business.
- » Purpose of the plan
- » Products and services you intend to sell and their advantages
- » Market opportunity - summary of target market and competitors
- » Management team
- » Track record - What experience you have in the selected market segment that will demonstrate to an investor your knowledge and expertise?



- » Financial projections for first 2 years summarized and highlighted as follows:

	Year 1	Year 2
<b>Sales</b>		
<b>Exports ( if applicable)</b>		
<b>Net Profit before Tax</b>		
<b>Investment</b>		
<b>Employment</b>		

- » Funding requirements i.e. the amount of finance needed, for what purpose and the repayment terms sought.
- » The amount of money, you the promoter, will invest in the business.
- » State why you believe that the project will be viable and profitable.
- » Will the business generate adequate profits and cash flow to repay loans advanced?

**Remember that potential investors often make a provisional judgment based on the executive summary, and their decision to read the main body of the business plan will depend on the information presented here. The appendices at the back of the plan contain more detailed information to support the main text of the business plan.**

## 2. Company / Business Description

- » Promoters, Shareholders and Board– Names, relevant expertise (can include Resume / CV in Appendices) % shareholding, cash investments to date
- » Management structure, business organisation & areas of responsibility
- » Advisors – financial, legal & other to be listed with names, addresses and contact details
- » Legal Status & Licenses – legal structure of the business; any specific licenses required to operate the business; Health & Safety considerations.
- » Products & Services: Explain clearly what your product or service is and what it does – include background to its development, benefits & features, USP, Advantages to customers, disadvantages or weak points, milestones to date, Future developments
- » Long term Aim of the Business – where do you see the business in 5 years time?
- » Objectives: State the specific milestones to be achieved by the business over the next 2 years (sales, Exports, employment, product development etc)
- » SWOT Analysis: Analyse the strengths and weaknesses of the business and product or service, the opportunities that exist in the marketplace and the threats to the viability of the project. Strengths and weaknesses are internal to the business while opportunities are in the external environment in which the business operates. This analysis may be laid out in diagram form as follows if you wish:

<b>Strengths</b>	<b>Weaknesses</b>
<b>Opportunities</b>	<b>Threats</b>

### 3. Market Analysis

This section covers market research / knowledge and competitor analysis. You must show that you have done the market research to justify the projections made in your business plan. It must demonstrate that there is a viable market and that you can beat the competition in the market for sales. Evidence of market research e.g. results, questionnaire surveys etc should be referenced and included here or attached in appendices.

#### Target Market

This is the market in which you are planning to sell the product or service. Analyse the segments of the market as follows:

- » Size of each market segment
- » Is the segment growing or declining?
- » Characteristics of potential customers in each segment ( profile, habits etc)
- » Entry barriers and how you propose to overcome them
- » Include details of top 5 – 10 prospects where applicable ( e.g. advance purchase commitments from buyers)

#### Total Market Valuation

Show the total potential value of the market for this type of product or service, in all the targeted markets, domestic and international.

#### Target Business Revenue

These figures are the basis for the sales figures in your financial projections and must be based on realistic assessments. Include average deal size, length of sales cycle, recurring revenues,

#### Market Trends

Analyse what is happening in the market as follows:

- » Recent changes
- » Future predictions
- » Drivers such as demography, economic, legislative, fashions, seasonality, currency fluctuations & implications for your product / service
- » Your plans to meet future demands and changes in the market

#### Competitor Profile

Regardless of the product or service that you offer you will always have competition. Reaction by your competitors may alter some of the assumptions you have made in relation to price, service, promotion or



advertising. You need to analyse your competitors as follows:

- » What are the competing (or alternative) products / services?
- » Who and where are your competitors? – Profile the key players ( company size, turnover, profitability etc) and their market share
- » What range do they offer?
- » How broad is their range?
- » What are their target groups?
- » What are advantages and disadvantages of the competitor's offerings?

### Your Competitive Advantage

This is your assessment of why potential customers will choose to buy your product in place of those profiled above. Here you must consider your unique selling points (USP's) and how you might differentiate your product / service from the competitors. Your advantages may include: unique features, price, new technologies / systems, better value to customers in terms of efficiency or ROI or cost/ benefit ratios, greater compatibility with existing systems. Don't forget to include any independent validation or case studies.

### Benefits to Client / Consumers

This is what your product or service provides to potential customers in terms of their own business / life / personal goals. Is there a compelling reason why customers should do business with you? What will buying your product or service actually do for your customer? Does your product or service enable them to:

- » Increase sales (B2B)
- » Increase efficiencies
- » Save money / time
- » Maximize resources
- » Reduce errors
- » Reduce downtime (B2B)
- » Improve customer service, increase loyalty ( B2B)
- » Improve their sense of well being/ status/ security/ comfort/health

## 4. Marketing Strategy

Marketing is everything you do to reach and persuade prospects that you are the company for them. It's the message that prepares the prospect for the sale. This section sets out your strategy (or approach) for reaching your target market, arousing their interest in your products or service, and actually delivering the product or service to them in sales. Your marketing strategy gives you direction and focus and shows how you will position your product / service in the market and differentiate it from the competitors. It identifies your prospects and how you will reach them. Have you a test site in operation and what feedback is coming from this? What contacts can be used to generate market awareness and sales? This section should address product proposition, pricing, distribution, promotion, placement and people as follows:

### Product Proposition

What products / services will you offer to the market (detail the product range), identify the USP's and how you will differentiate your product or service and which key benefits will you highlight?

### Pricing Strategy

Pricing has to be carefully considered because the price you select has an important impact on the image of the product or service you are offering. Always remember that once a price is established it is extremely difficult to change. In determining your pricing policy, you need to bear in mind production costs and overheads, profit margins, distribution costs, promotional expenses, competitors' prices, level of competition in the market, perceptions of quality-price relationship by customers, and the buyers bargaining power. Outline your pricing strategy e.g. cost based, mark up, demand –based, follow the market, penetration, price skimming or time based pricing.

### Distribution strategy

You must decide the geographic area and market segment in which you will market your product or service and whether it is better to sell directly yourself, go the retail outlets or use wholesalers/ internet? Is it B2C, B2B? You can sometimes beat the competition or generate much more profit by using a unique distribution system. Will you sell directly yourself (or staff) or use independent reps or agents? Is it domestic or export or both? Outline how you propose to get your product/service to your customers .i.e. your distribution channels

### Promotional Policy

This deals with how you will promote your product / service and communicate your marketing message(s) to your prospects. You need to establish an image that suits your business. You should outline the marketing media or media mix you will use to project or convey your message(s) e.g. Print, PR, Broadcast, On –line, Outdoor or Sales promotion media (e.g. packaging, point of sale, giveaways, exhibitions or trade fairs). To what extent will you use networks, referrals and word of mouth promotion?

### People policy

Who will conduct the marketing and / sales for your business? Will you use staff, agents, reps, consultants?

### Marketing Costs

Estimate the projected cost of your marketing strategy & plans.

### Sales Plan

This section should address who will conduct the selling for your business and are they professionally trained to sell? It should outline what selling methods you will employ, for example telephone selling, cold calling, following up leads from mail shots, advertising etc? It should also deal with what sales volume and activity targets, such as calls per day etc, have you set for each salesperson or selling method? Outline the length of the sales process from the customer becoming aware of your product or service to making the buying decision, receiving the product or service and finally paying for it?

What procedures do you have for handling customer complaints? Will you make the product yourself or buy in either ready to sell or as components for assembly?

### Sales Forecast

You will need to prepare a sales forecast on which you can base monthly cash flows and budgets. While it is not always easy for a start-up company to accurately project sales you should use your market research to give as clear a picture as possible. Realistic sales forecasting is one of the most critical factors in the success or failure of your venture. Make sure you give sufficient time to this.

## 5. Research and Development

This section to be completed if relevant to your business

### Technology Roadmap

Show the intended future development of your product or service i.e. changes to meet future market demands, adaptations to international markets or upgrades. Also detail plans for new products or services to add to the range. Include:

- » Team / Department structure
- » Methodology
- » Platforms used
- » Milestones to be achieved
- » System overview diagram

### Research & Development

Indicate whether you will have ongoing R&D as an activity of the company, what areas this will be exploring and what future contributions to the company you expect from this research.

### Technical Partners

List all partners and indicate nature of involvement.

### IP, Patents, Copyrights, Brands

Indicate any protection available for your product or service, whether the technology can be or has been patented, whether you can avail of copyright or trademark registration and the brand image you intend to build up as a protection against competition.

## 6. Staffing & Operations

This is where you will outline the intended structure of the company in terms of management, number of employees, and the physical operational requirements to produce or supply the product or service.

### Management (Including Board) Organisation

Indicate how management of the new venture will be organized (may use organizational chart). This should show the areas of responsibility of each manager / employee and the employees to be taken on over the next 2 years.

### Staffing

State what employees will be taken on over the next 2 years, with which skills, in which areas of the business?

### Training Plans

Outline the planned employee and management development to be undertaken in order to maintain a skilled workforce. This should also tie in with the future market developments and any new product or service developments.

### Operations

Outline briefly the manufacturing / production process to be used. State the physical requirements of the business in terms of the following:

- » Premises & Equipment
- » Production facilities
- » Infrastructure
- » Costs involved
- » Principal Suppliers, terms of trade etc

In the operation budget you need to forecast:

- » Turnover.
- » Gross Profit
- » Business Expenses
- » Net Profit.

## 7. Financial Projections

The accompanying SDCEB Financial Forecasting Worksheets Template may be used to help you complete this section.

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This section of the business plan will provide the reader with the following information:

- » Key Assumptions
- » The total funding required to start / grow the business and the expected sources.
- » 2 year Monthly Annual Cash flow forecasts for the business.
- » 2 year projected Profit and Loss account for the business.
- » Projected Balance Sheets

### Requirements for Preparation of Projections

- » Opening figures included based on latest Mgmt/Audited accounts if applicable
- » Shareholders Fund analysed into Share Capital, Share Premium and Retained Profits if applicable
- » Sales Assumptions provided by unit, price segment & geography and reconciled to pipeline
- » Expenditure categorised into R&D, Admin and Overheads and Promoters / key managers salaries
- » Breakeven analysis may be required, detailing strategies to be implemented if sales or expenditure targets are not met.

### Key Assumptions

This section reviews the key assumptions used in the financial projections. It is a guide to explain how key figures in the financial projections were arrived at. Included here should be items such as:

- » Income sources
- » Number of employees projected for each year and their intended salaries
- » Projected investment in equipment and materials
- » Projected R&D costs
- » Depreciation allowed for
- » Expected rent and rates charges
- » Creditor days expected and debtor days allowed
- » Expense calculations
- » Stock Turnover

This section should be brief and to the point. Further detail regarding these items can be placed in the Appendices.

### Projected Profit & Loss Accounts

Attach here projected profit and loss accounts for the first 2 years of the company's operations as per Financial Forecasting Templates.

### Projected Balance Sheets

Attach here projected Balance Sheets for the first 2 years of the company's operations as per Financial Forecasting Templates.

### Projected Cash flow Forecast

Attach here projected monthly Cash flow forecasts for the first 2 years of the company's operations as per Financial Forecasting Templates.

## 8. Sales Pipeline

Provide the following information in regards to your sales forecasts:

Name of Customer	Size of Deal	Date PO expected	Probability % of

## 9. Funding Requirements

State here the total funding requirements of the business, and how those will be provided. You will also need to state the approximate breakdown of how these funds are to be spent.

**Sources:**

- » Promoters' funds
- » Bank lending
- » Grants or loans from agencies
- » Investment already received
- » Investment sought

**Required for:**

**Fixed Assets e.g.**

- » Equipment / Plant
- » Premises

**Working Capital e.g.**

- » R&D
- » Marketing
- » Staffing
- » Debtors
- » Stock

## 10. Appendices

This section is used to provide the detailed data on which the main text of the business plan is based, and to provide extra information of interest to the readers of the business plan. Items for inclusion in appendices vary from business to business, but normally include some of the following:

- » Promoters' CVs
- » Detailed financial assumptions
- » Most recent Company Audited Accounts
- » Share Cap table and Investment history
- » Term Sheet from Potential Investors
- » Detailed market research findings
- » Promotional literature
- » Product or service information
- » Details of company website
- » Testimonials or letters of intent from customers







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