

Business plan template



If you're considering establishing or purchasing a small business, it's important that you have a business plan.

A plan will help provide you with an essential road map for your new business. It will also provide you with benchmarks against which you can measure the success of your activities as you build your business.

The following template will help you generate a tailored business plan that's right for your business.



How to use this business plan template

Your business plan can be a project portfolio for gaining investment, a road map to follow, a handy benchmark for your performance, or your first official introduction to major business partners.

To get started, simply answer the questions and fill in the fields where required. If you need some guidance, there is a help section at the end of the template.



1. Business profile

Business name

Business structure

Business owners

Date established

D	D	M	M	Y	Y
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Date registered

D	D	M	M	Y	Y
---	---	---	---	---	---

Business registration number

Business address – postal

Street address	
Suburb	
Town/City	Postcode
Country	

Business address – physical

Street address	
Suburb	
Town/City	Postcode
Country	

Contact details

DD
Mobile
Email

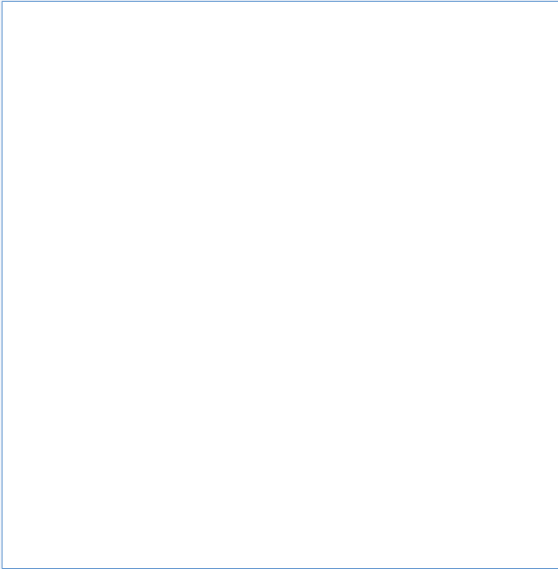
Online presence

Website
Facebook page
Twitter account
Blog

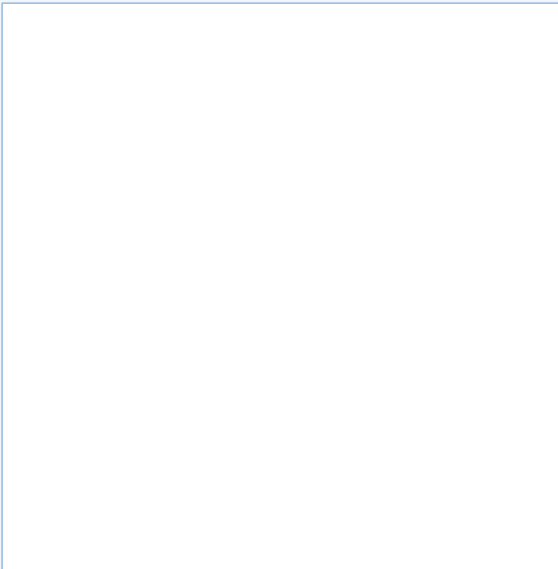
2. Executive summary

3. Background

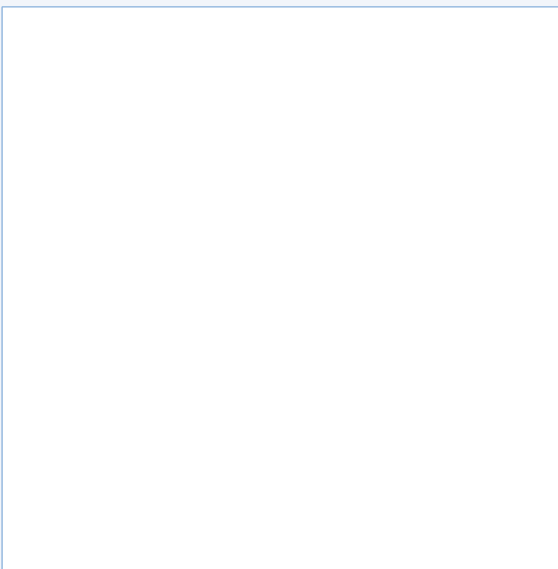
History



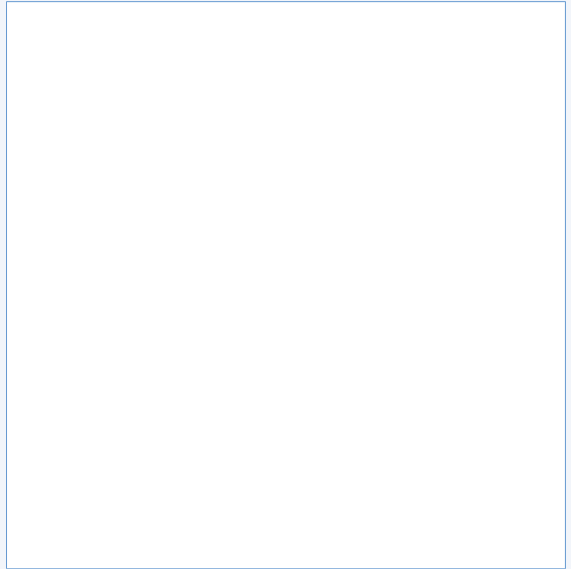
Objectives



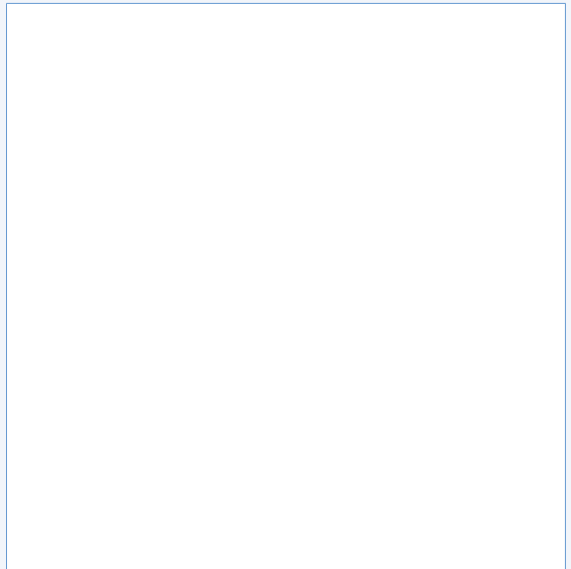
Products and services



Patents and trademarks



Location



4. Goal setting

Summary of future plans

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Short term goals

Target date

Short term goals	Target date

Long term goals

Target date

Long term goals	Target date

5. Management, team, and support

Management structure

Name	Position/responsibility	Phone
	Overall governance	
	Lawyer	
	Accountant	
	BNZ Small Business Specialist	

6. Key personal details

Name

Role

Experience

Qualifications

Specialist area

Name

Role

Experience

Qualifications

Specialist area

Name

Role

Experience

Qualifications

Specialist area

Vacant positions

--

Business support networks

--

Organisational structure

Name

Position/responsibility

Reports to

Name	Position/responsibility	Reports to

Recruitment policies

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7. Market research

Primary research undertaken so far

Secondary research undertaken so far

Future research required

8. Competitor research

Competitor one

Their strengths

Their weaknesses

How we will compete with them

Competitor two

Their strengths

Their weaknesses

How we will compete with them

Competitor three

Their strengths

Their weaknesses

How we will compete with them

Competitor four

Their strengths

Their weaknesses

How we will compete with them

9. SWOT analysis

Strengths

Weaknesses

Opportunities

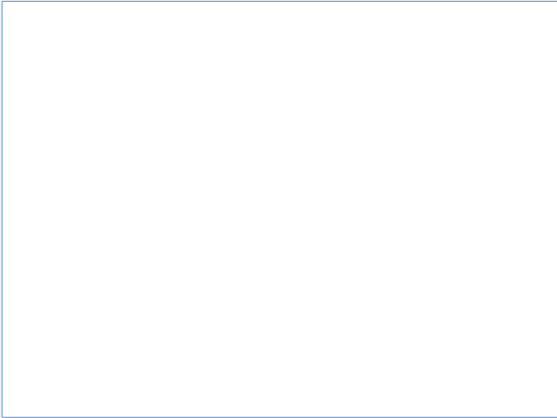


Threats

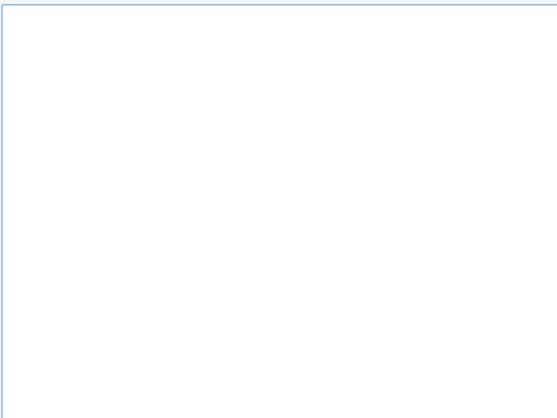


10. Market overview

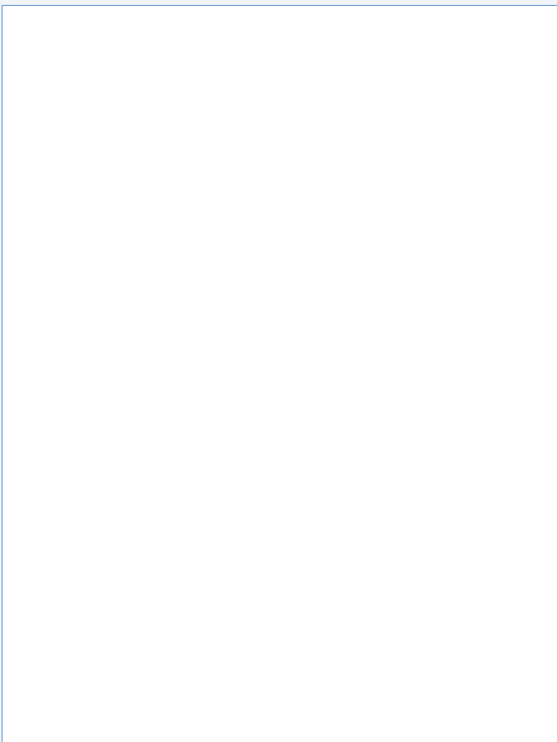
Market description



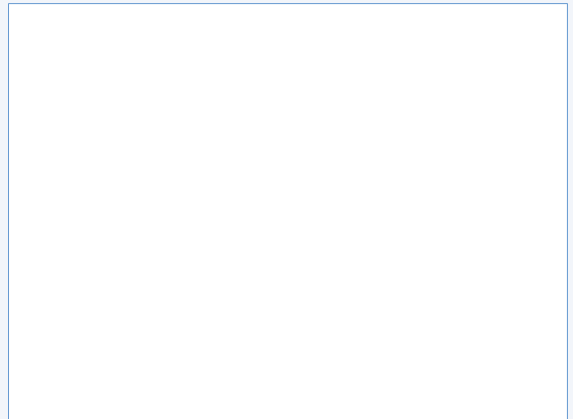
Market size



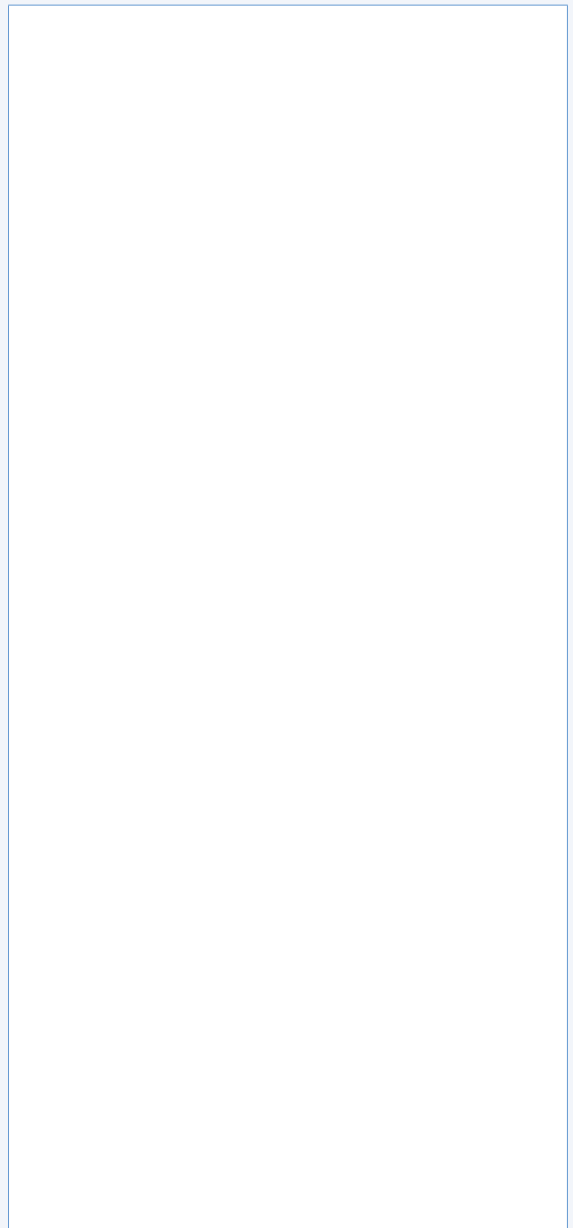
Market structure



Market opportunities



Future markets



11. Target market

Target market description

How we will meet the target market's needs

Factors influencing purchasing habits

12. Marketing

Marketing strategy

Marketing budget

\$

13. Financial plan

Start-up costs summary

Date you will break even

D	D	M	M	Y	Y
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Sources of funding

Profit and loss forecast summary

	1 year	2 years	3 years
Overall sales forecast	\$	\$	\$
Overall costs forecast	\$	\$	\$
Overall profit/loss forecast	\$	\$	\$

Cash flow forecast summary

Balance sheet forecast summary

14. Compliance

Legal and regulatory considerations

I have carried out the following:

- Confirmed my legal structure
(Sole trader, Partnership, Company)
- Registered for GST
- Applied for a tax number
- Arranged for insurance cover
- Applied for patents or trademarks
- Applied for local licences and permits

Applied for verification with the following standards bodies and regulators specific to my industry:

Insurance

15. Operational factors

Business premises

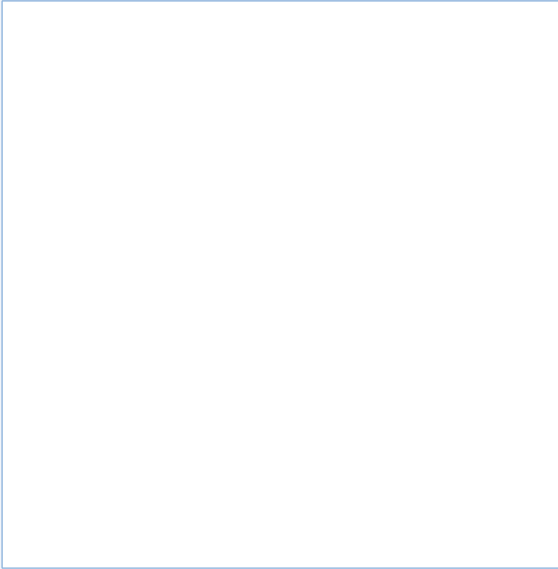
Equipment

Requirements

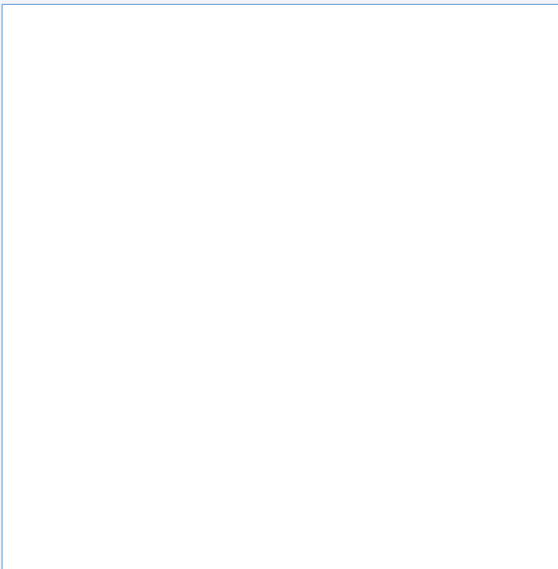
Solutions

I.T.

Requirements



Solutions

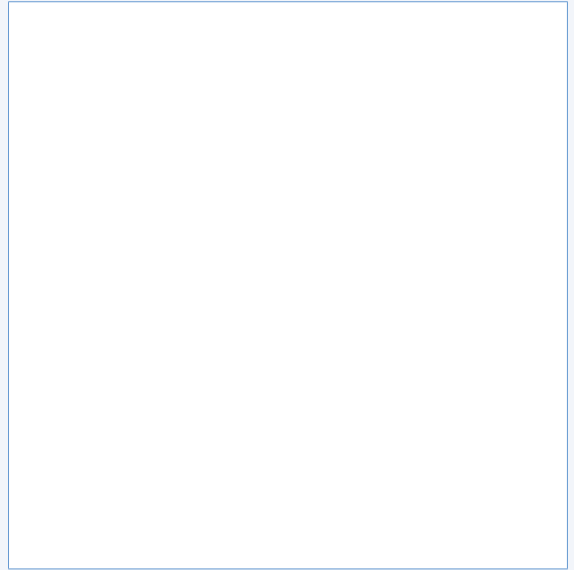


Orders

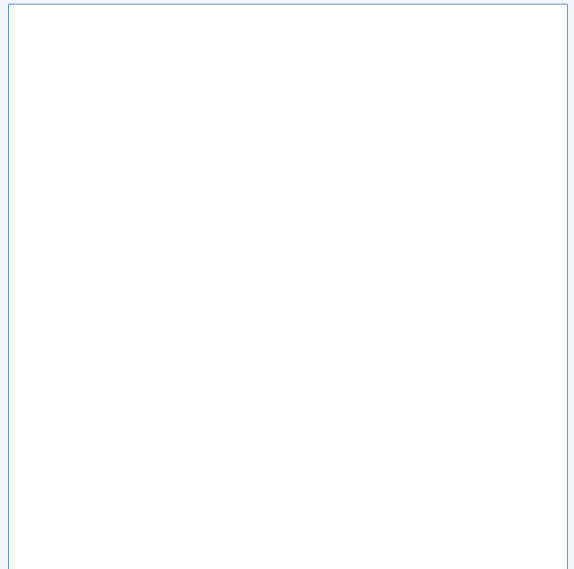
Process of fulfilling orders



Process for handling returned orders

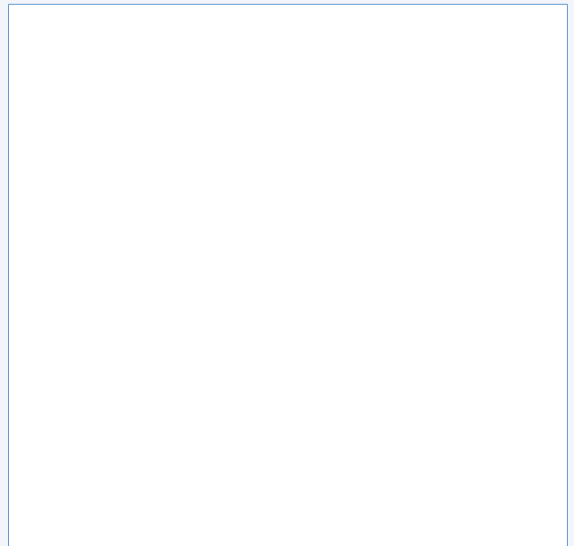


Process for data gathering



Suppliers

Who they are and what they supply

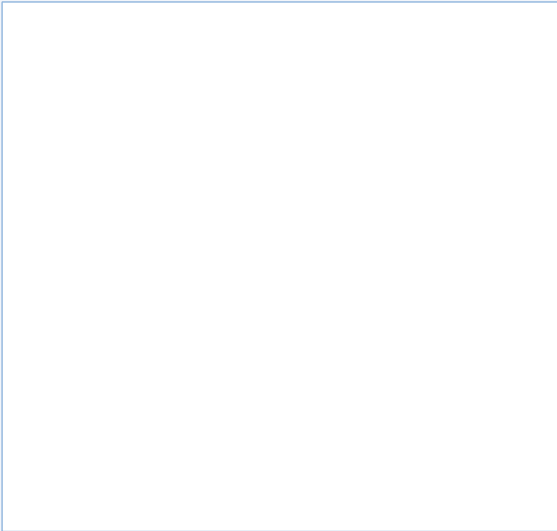


16. Exit planning

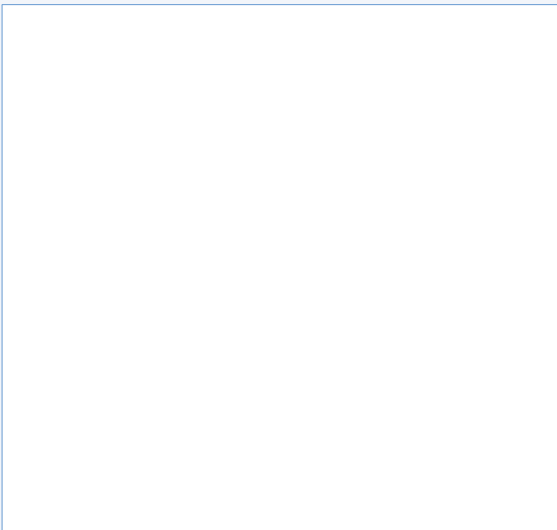
Who will buy the business – family, employees, outside buyer?



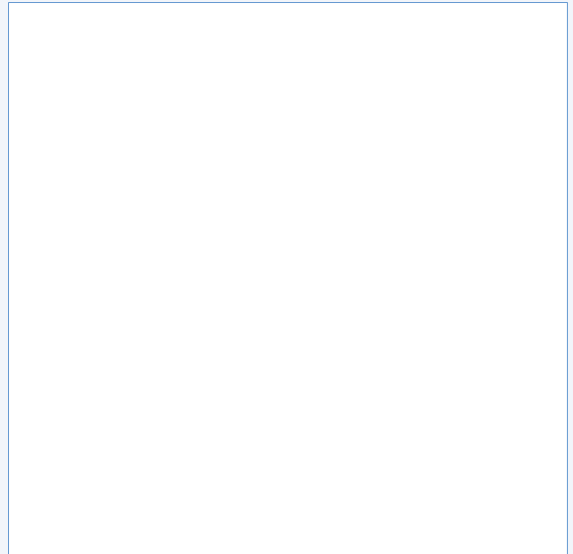
Processes and documentation required



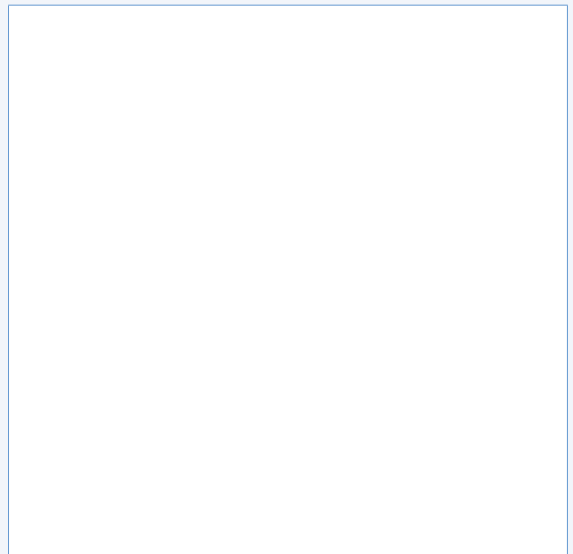
Timeline – define goals and plan milestones



Delegate – who will be taking control



Professional advisors



1. Business profile

This section is where you introduce yourself, your business and your support team to the reader. Here, we have chosen the standard order of cover sheet contact details first, followed by the Executive Summary, before touching on the background of the business and your support team.

2. Executive summary

An executive summary gives an overview of your plan while promoting the important points you need to focus on. It is normally only a few short paragraphs, aimed at and written for those without technical or specialist knowledge (laymen, in other words), and is presented at the beginning. However, as a summary, it's best to leave writing it to the very last.

The executive summary is used as much to sell an idea as summarise it. However, some argue that executive summaries encourage the oversimplification of complex and detailed ideas, and many business people choose not to use them at all to ensure their business plans are read in-depth.

3. Background

This section gives a brief history and context to your business, if it is already running, or the business idea you are promoting. This is also where you set out your objectives and expand on your own business track record if you have one.

History

For an existing business: Give a brief timeline containing major turning points and events that have shaped or influenced the business. List successes, milestones and any challenges you have overcome.

For a business idea: Simply detail how the idea came about and expand on your own business background, listing all the relevant skills and experiences you bring to your business.

Objectives

List your short term (12 months) and longterm (up to five years) objectives, with a timeline for expected milestones.

Products and services

Clearly explain in plain language what you will be offering your customers. It is critical the reader actually understands "what you do" at this stage - otherwise the rest of the plan might not make sense to them.

Patents and trademarks

Detail any copyright protection you hold on an original product or service concept. If you're not sure if you should have one, seek out advice from a patent attorney. Also detail here any existing contracts for work or additional legal protection you may have.

Location

This section is for explaining the competitive advantages of your location. Retailers need locations with great foot traffic or convenience for customers, for example, while manufacturers are better located near freight transport links. Go online to stats.govt.nz to back up your argument with research on your existing or proposed business location.

5. Management, team, and support

List and describe your management team and any advisers supporting you. The latter can include anyone from a business guru, accountant or lawyer, to a family member with a prominent reputation in your industry.

Vacant positions

Detail any important posts that, once occupied, will have a significant positive impact on the running of your business. For example: "Once I recruit two specialist machinists, I can double our output and significantly increase our rate of growth".

6. Key personal details

List all the owners, plus their investments, liabilities and share of profits. If there is more than one owner, include a copy of your Deed of Partnership.

Organisational structure

Clearly defining roles is an essential part of inspiring confidence in a business. Be as detailed as you can in describing the responsibilities of each member of your management team and who each of them reports to beyond yourself.

Recruitment policies

If your plan involves recruiting staff, you need to detail your recruitment methods and policies here. If you are filling specialist trade roles, for example, make sure you state you will be recruiting to at least the minimum national standards. This isn't stating the obvious, as the less detail mentioned here, the more the reader can assume you will not follow standard recruitment practices.

8. Competitor research

Competitor research is a vital task to carry out, but it's not always easy. Gain an objective view of a competitor's strengths and weaknesses by being a mystery shopper. If you will be recognised by a competitor, do this on the phone or send a friend as a walk-in customer in your place.

However you carry out your competitor research, you need to identify their points of difference, what they're doing well and what they're failing on in their service processes. It's tempting just to browse a competitor's website and focus on price differences to your product or service, but competitor

research needs to be much more in-depth and first-hand to be of significant use.

Important details – possibly game-changing factors – can often only be picked up by experiencing what your competitor is offering for yourself. A restaurant chef, for example, could only judge the astuteness of a rival eatery's pricing by tasting the quality of the food themselves.

9. SWOT analysis

SWOT stands for Strengths, Weaknesses, Opportunities, and Threats. A SWOT analysis is a method of assessing your business's health or viability – depending on whether it's an existing business or a start-up being analysed – by looking at its internal and external influences.

List your business strengths, weaknesses, opportunities, and threats below, before outlining how you will approach them to the benefit of the business.

Strengths

Strengths can include any internal positive influence on your business: design advantages, manufacturing efficiencies, brand strength, superior product quality, or even specialist knowledge in the form of personnel. List any point of difference that sets you apart from the competition.

Weaknesses

Weaknesses can include any internal negative influence: disadvantages in human resources, finance, intellectual property, or any other part of the business. It's important you remain objective in listing your weaknesses, because if you do omit anything, nine times out of 10 the reader will pick up on it. However, don't list the competition, because they are an external threat.

Opportunities

List any external change affecting your business in a positive way: a growing market for your product (use demographic information to back your argument if need be), increased demand, a new bulk purchase contract, or even a less-crowded market.

Threats

External threats can come from competitors (more in the marketplace, or the growing strength of one in particular) or economic factors such as a recession or a sign-posted change in the tax regime that could negatively impact your business.

10. Market overview

This is where you place your findings from your market research. This section is where you detail the size and potential of your target group of customers.

Market opportunities

Detail the gap in the market you hope to fill. Is it completely unidentified in the market or are there other competitors positioned to compete with or follow you? What is the revenue potential of this opportunity?

Market description

Include demographic and geographical information if relevant. For example, 30- to 40-year-old singles with high disposable income, living within the central city urban area. If your market is other businesses, describe the size and activity of the industry you're targeting, or even specific companies if the number of significant players is limited to a few big operators.

Future markets

This sounds straightforward but if you intend to add larger markets within a timeline, state it here.

Market size

Include both volume and value statistics here, or any other relevant figures important to your business' success. For example, if you worked in a specialist field of HR, you'd include the number of people the market employs locally or nationally.

Market structure

Describe the supply chain of the market if relevant, including the relationship between producers, suppliers, distributors, and the end consumer. Say where you fit in or the potential your business has to usurp this structure by doing things differently (by, for example, cutting out the middleman with direct imports).

11. Target market

This is where you detail your target market based on your market research. Many start-ups are founded on the assumption that "everyone" is their target market. These businesses typically find it harder to succeed because their lack of market research means they haven't identified their most valuable (highest spending and most frequent spending) customers. Even businesses that look like general service industry operations from the outside usually have a more specific target market in mind. A shoe shop, for example, could target trades people, school children or parents on limited budgets, teenagers looking for the latest trainers or even wealthy socialites. It's an important point because the choice of target market defines a business, influencing many decisions such as its choice of product, staff, branding, and rate of growth.

Target market description

Describe the target customer types you have identified, including demographic statistics and your estimate of their average spend.

Meeting its needs

Describe how you will provide your product or service, including the processes involved and the advantages of those processes. For example, “By offering a quote service from an online portal where customers can send me their measurements, my curtain-making business incurs fewer overheads than my competitor’s.”

Factors influencing purchasing habits

What does your target market care about most when buying your product? Convenience, quality, price, environmental impact, the availability of a related product – list any influences you’ve discovered through market research.

12. Marketing

Marketing is often confused for sales or advertising, but it is actually a term encompassing the entire process of matching product to consumer. The typical marketing strategy could be segmented into the “4 Ps”: Product, Price, Place, and Promotion.

Since the advent of the Internet, marketing strategies have become increasingly sophisticated, subtle and, in many cases, highly cost effective.

13. Financial plan

This is where readers will find all the financial nitty-gritty for analysis. Financial records are typically presented in two parts: Cash flow forecasts and Final accounts (containing the Trading, Profit and Loss accounts, and a Balance sheet).

Existing businesses can use their cash flow records to forecast cash flow and performance, but those planning a start-up have to rely on market research – including any publicly available financial records for other businesses of their kind – to make their predictions.

Start-up costs summary

Start-up costs can be wide and varied, so the two most important factors here are presenting the costs objectively (don’t downplay these – you need to be realistic) and being as thorough as possible. You have to think beyond premises, staff, machinery and vehicles and consider compliance and tax, professional services like accountants and solicitors, and more – right down to the cash for incidentals. Any gaps in the costs will be highlighted by any smart investor, so if you can, have an experienced business peer or your solicitor go through your projected costs with a fine-tooth comb.

As a general rule, you start-up costs will include the initial start-up costs as well as six months’ operational costs to get your business up and running.

Profit and loss forecast summary

Predicting financial performance is a harder task without some records or comparisons to go on. However, any grey areas can be mitigated by presenting three sets of predictions: pessimistic, realistic and best-case scenario. This way, you can’t be accused of lacking objectivity.

Pick forecast timeframes relevant to your business; the periods below are only an example. Include as much detail as appropriate. You will want to show your income and sales figures, cost of sales, operating expenses, gross profit or loss, tax and other expenses and your net profit/loss forecasts.

If you prefer, you can summarise the information here and provide a detailed forecast as an appendix.

Cash flow forecast summary

Making a cash flow prediction is harder without having cash flow records on hand. To firm up your predictions, you should make sure you detail any predicted peaks or troughs in cash flow over the next calendar year. Few businesses enjoy a consistent cash flow year-round, and unless you have good reason to support a constant income, seeing it in a business plan can raise questions. Include detailed monthly forecasts for at least the next 12 months, and less detailed information for up to five years ahead.

Balance sheet forecast summary

A balance sheet is essential for both ongoing concerns and start-ups, because either way you will have assets of some kind or be looking to purchase them. Balance sheets calculate the assets owned to present a net worth (assets minus liabilities) and show how these assets are financed and the owners’ equity. In the case of a start-up business, an estimate of future balance sheets – say a year or two years down the track – could be useful to show how the business’ forecast cash flow will start to balance out the financial debts incurred getting it off the ground.

14. Compliance

Compliance is the term used to describe all the standards and processes businesses have to meet and follow to operate legally. There are many boxes that need to be ticked before a business can begin trading, depending on the type of operation it is, so check with IRD or The Companies Office to see if any of the below apply to you.

Structure

A business in New Zealand can use four basic business structures: sole trader, partnership or limited liability company. The choice has an impact on ownership liabilities, tax implications and a variety of other important areas, such as how you keep your records.

Business structures also encompass other preferences that define how the business operates, like whether it runs as a co-operative (with the customers taking equal ownership) or uses a franchise model.

Registering for GST

You must register for GST if sales are expected to be \$60,000 a year or more. You can also register voluntarily if you are below this threshold.

Insurance

Detail the cover you have secured. Every business needs to be insured, but the type and number of policies can vary dramatically between business categories. Consider if you need any of the following.

- Premises insurance
- Contents insurance
- Asset / Vehicle insurance
- Employer's liability insurance (in case of workplace accidents)
- Public liabilities cover (third party injury or death)
- Professional indemnity insurance (cover against claims arising from your professional advice)
- Business interruption insurance
- Front of business insurance (covering repairs to front of premises)
- Legal expenses insurance
- Stock insurance

This is not a comprehensive list – there are many types of industry-specific specialist insurance offered to small businesses.

15. Operational factors

Business premises

State whether you have bought or lease property, and why. There are short and long-term financial advantages to buying and leasing property that can affect your business's viability. Leasing premises doesn't require the capital of buying a commercial property – freeing you up financially to invest more in the development of your business. However, owning property opens up a wide range of lending opportunities and gives you complete freedom to tailor the property to your business. In addition, property you own has a good chance of accruing value over time.

Equipment requirements and solutions

List the equipment you need to purchase or have purchased, whether you have bought or leased this, and why.

Depending on your business type, the advantages of buying can outweigh leasing and vice versa. Buying gives you ownership – so the equipment becomes an asset – and it is normally less costly than leasing over the lifespan of the item. Leasing doesn't actually mean you have an asset and locks you into payments for a set term, regardless of whether you need the equipment for that long. However, leasing requires less capital up front, is easier to source finance for, and is a great option for companies using equipment that needs to be replaced frequently.

IT requirements

Information technology equipment, such as computers and servers, depreciates quickly, can require significant managing to keep updated and secure – as well as expertise to run – and becomes superseded by new industry developments faster than most other types of equipment. With this in mind, explain your IT requirements and how you plan to meet them, justifying any purchases as you do so.

IT solutions

If you are beyond the start-up phase, detail the IT set-up you use, explaining its reliability, compliance standards, and ability to be expanded.

If you are seeking finance for an IT upgrade, explain here exactly what you need and the impact such an investment would have on your business's capabilities.

This information is provided for general purposes only, and is a summary based on selective information which may not be complete for your purpose. To the extent that any information or recommendations constitute financial advice, they do not take into account your financial situation or goals and is not intended as personalised financial advice. While BNZ has made every effort to ensure that the information provided is accurate, you should not rely on this information to make any financial decision without first having sought advice specific to your circumstances from an authorised financial adviser.