

Business name

Business plan

[Insert date]

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DETAILS OF BUSINESS

Business name:

Date registered:

Owners:

Australian business number (ABN):

Australian company number (ACN):

Tax file number (TFN):

Address:

Phone, fax and email:

How to use this business plan template

A [business plan](#) is a document that details how you will handle all the important aspects of your business. This business plan template is designed for both new and established businesses and covers the key areas of business planning:

- market research
- marketing planning
- legal and risk management planning
- operational planning
- human resources planning
- financial planning.

Save a version of this Word document to your own computer. Work through the template section by section. Each section contains a brief overview of the area you will research and write about, and a list of questions to answer.

There are links to a range of useful resources throughout the template. These resources provide more information about a topic and will help you give more detailed responses.

When you have finished answering all the questions you will be able to create an action plan that outlines the actual tasks you need to complete to achieve your goals.

Once your business is up and running, it is a good idea to regularly review and update your business plan.

Note: This template is offered as a guide only. Feel free to add, delete or reformat any text as required.

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1.0 Executive summary

The executive summary is the first section of your plan, but it's best to write it last when you have a clear understanding of the direction of your business.

Your executive summary 'sells' the whole concept of your business. It should be convincing and excite the reader (who might be your bank manager or a potential investor). So it's important to use strong, enthusiastic language that answers the following questions:

- What is your [business vision](#)?
- What is your legal structure?
- What products and services do you offer?
- Who are your customers?
- What sets you apart from your competitors?
- How will you create a market for your products and services?
- How will you operate?
- What are your financial projections?
- How will your business/industry evolve?
- Who owns/manages your business?

2.2 Market analysis

Using a range of [market research resources](#) and different [market research methods](#), gather important data about the market for your products/services and feasible levels of demand.

- **Briefly describe your market (e.g. local/regional/national market, target customers, seasonal influences, price ranges, growing/declining market):**

2.3 Industry description and outlook

If you have accurate information about your industry, and any [current and upcoming market trends](#), you give your business the best chance to capitalise on opportunities that may arise.

- **Describe the industry you are in (e.g. age, present structure, size in terms of \$ and volume):**

- **Describe any major trends (both past and future) affecting your industry:**

- **What are the chief characteristics of the market (e.g. growth industry, competitive nature, government involvement, high production costs)?**

2.4 SWOT analysis

Use a [SWOT analysis](#) to identify strengths, weaknesses, opportunities and threats.

- Record the results of your SWOT analysis in the columns below. Also describe the strategy/strategies for addressing each item:

Strength	Strategy	Weakness	Strategy

Opportunities	Strategy	Threat	Strategy

2.5 Competitor analysis

[Profiling your competitors](#) gives you key information about their businesses (e.g. what they charge for their products, where they find their customers and how they advertise) and can also provide a [benchmark for your own business](#).

- Create a list of business competitors and give them a rating:

Company name	Size	Sales mix (products /services)	Years in business	Reputation rating (1-10)

- In what areas does your business have a [competitive advantage](#) (price, location, product benefits, personnel, service, marketing, delivery, credit policy, etc.)? Can your advantage be sustained?

- In what areas does your business lack a [competitive advantage](#)? Can this be corrected?

- What is your [unique selling proposition](#) (i.e. what sets you apart from your competitors)?

2.6 Conclusion

- Key points for action plan (e.g. for developing a strategy to [respond to competition](#)):

3.0 Marketing plan

Your [marketing plan](#) is a blueprint for showcasing your products and services, and is a step-by-step guide to delivering your business's overall [marketing strategy](#).

3.1 Customer profile

While your market research looks broadly at your customers, competitors and industry, [customer research](#) provides more in-depth information on the needs, wants, expectations and behaviours of your customers.

- What is the [customer profile](#) of your business (e.g. age, gender, location, income, education, buying patterns, customer motivation)?

3.2 Pricing (discounting)

[Setting the right prices](#) for your products/services is vital - if you charge too much you may price yourself out of the market. If you charge too little you may be underpaid for your work.

- What is the basis of your existing/future [pricing \(discounting\) policy](#)?

- Is it possible to [increase prices](#) by offering added value?

3.3 Customer service

If your business provides good customer service, you have a greater chance of keeping and increasing your customer base.

- What [after sales service](#) and [warranties](#) do you offer?

3.4 Advertising and promotion

The goal of [advertising and promotion](#) is to attract people's attention to your products and services. The type of advertising you choose depends on your target audience.

- What is your [unique selling proposition](#)?

- What [promotional activities](#) will you use to reach your target?

- Do you need to develop a [brand](#) for your business?

- What are your [signage](#) requirements?

- Are there opportunities to promote your business at [trade shows or exhibitions](#) or by [networking](#)?

- Do you need an [online marketing](#) strategy?

3.5 Sales

[Successful selling](#) involves using the right distribution methods, keeping good records and developing relationships with customers.

- What method(s) will you use to sell your products and services (e.g. [direct marketing](#), [telephone](#), [mail order](#), [retail](#))?

3.6 Sales analysis and forecast

Using sales history and/or market research, you can [forecast the number and value of sales](#) you expect to make. You can then set sales targets and plan how to reach them.

- What are your current and proposed total sales (\$), volume (units) and market share (%) for the next 2 years?

Segment <small>(e.g. by area, product, store, customer type, distribution method)</small>	Current year			2nd year			3rd year		
	Total \$	Vol. (units)	Market share %	Total \$	Vol. (units)	Market share %	Total \$	Vol. (units)	Market share %
Total sales (\$)	\$			\$			\$		

- What is your [sales plan](#) for reaching these targets?

- How can you maintain/increase your market share over the next 2 years (i.e. what is your general [marketing strategy](#))?

3.7 Conclusion

- Key points for action plan (i.e. [marketing actions chart](#)):

4.0 Legal matters and risk management

4.1 Business structure

A business can be legally structured in several ways. Choosing the best legal structure for your business is one of the first and most important decisions you need to make.

- Briefly describe the [legal structure](#) of your business:

4.2 Contracts, licences and agreements

You need to understand your [legal rights and responsibilities](#) as a business owner and know when to seek [professional advice](#).

- What [licences](#), contracts or agreements currently relate to your business?

Note any action required for each:

Licence/contract/agreement	Current status	Action
Operational licences, permits or registrations		
Business purchase or sale contract		
Franchise agreement		
Plant and equipment purchase or maintenance		
Advertising contracts		
Distribution rights		
Purchase or supply contracts		
Service contracts		
Loan/finance contracts		
Agreements with customers and contractors		
Cooperative agreements with other businesses		

4.3 Intellectual property

[Intellectual property \(IP\)](#) can give your business its competitive advantage. Conducting an IP audit will help you find out what IP assets you have, and how you can protect them.

- Briefly describe your IP assets. What protection do they have?

IP asset	Type of protection	Expiry date	Conditions of protection

4.4 Insurance

Choosing the right insurance will help you manage and reduce potential risks. You should regularly review and update your insurance, especially as your business grows or changes.

- Describe your [business insurance](#) - including items and sums insured, premium paid and the frequency of the review of your insurance needs:

4.5 Leases

Before you sign a lease, you need to be confident that you understand and can meet all the terms and conditions.

- If your business operates from [leased premises](#), are you familiar with all the terms and conditions in relation to:

Item	Yes/No	Action
Lease terms and conditions		
Rent payment provisions (advance, review, formula)		
Term options and expiry dates		
Assignment or transfer of lease		
Permitted use and restriction		
Location/zoning/real property description		
Relocation or demolition clause		
Body corporate details		
Outgoings		
Responsibility for repairs and maintenance		
Trading hour requirements		
Government and town planning regulations		

4.6 Employees

As an employer, it is important for you to understand [employment-related legislation](#) and your [obligations towards your employees](#).

- Are you aware of your responsibilities in the following areas?

Item	Yes/No	Action
Superannuation		
Workers' compensation		
Tax (PAYG and payroll)		
Termination of employment		
Industrial disputes		
Workplace health and safety		
Sex discrimination		

Human rights and equal opportunity		
Parental leave		
Negligence		
Holiday and long service leave		
Employment contracts		
Industry awards		
Hiring apprentices/trainees		

4.7 Financial

- Are you aware of your legal responsibilities regarding:

	Yes/No	Action
Liability and legal structure of business		
Tax (GST, BAS statements, FBT)		
Keeping statutory records and receipts		
Customer credit policy		

4.8 Risk management

[Risk management](#) is about preparing for internal and external scenarios that may directly affect your business:

- Use the table below as a starting point for your [risk management plan](#):

(L = low, VL = very low, M = medium, H = high, VH = very high)

Risk description	Likelihood	Impact	Priority	Preventative action	Contingency plans

Risk description	Likelihood	Impact	Priority	Preventative action	Contingency plans

4.9 Legal and ethical trading

[Legal and ethical conduct](#) protects your business from legal risks but also builds a strong reputation and earns long-term customer loyalty.

- Do you need to comply with any [codes of practice](#)?

- Which business activities are regulated under [Australian Consumer Law](#)?

- Do you and your staff understand your legal obligations to customers regarding [guarantees, warranties and refunds](#)?

- How will you comply with [customer privacy laws](#)?

4.10 Conclusion

- Key points for action plan (e.g. to raise with your [business adviser](#)):

5.0 Operating plan

5.1 Location

Choosing [where to locate your business](#) is an important decision that requires research and planning.

- **Briefly describe your location requirements (e.g. space, type of building, zoning, access, parking):**

5.2 Production

Understanding your production processes will help to standardise your operations and create efficiency. It may also generate ideas for future [innovation](#).

- **How and where are your products or services produced?**

- **What costs are involved in production?**

- **Have you documented [standard procedures](#)?**

- **What quality control measures do you use?**

- Do you have any strategies for [new product development](#)?

5.3 Current performance

[Benchmarking](#) is a way of measuring your performance against similar-sized businesses in your industry. Rate these operational features relative to the industry average.

Operational feature	Rating out of 10		Methods for improvement
	Current	Expected (in next 6 months)	
Cost			
Quality			
Wastage			
Flexibility			
Skill levels			
Dependability			
Scheduling			
Downtime			
Safety			
Service			
Technology			
Innovation			

5.4 Customer management

- How will you keep [customer records](#)?

- Describe your [customer credit policy](#) (e.g. payment terms, invoicing, managing debtors)

5.5 Plant and equipment

Because of the potentially large costs involved, you may wish to be guided by advice from your accountant or [business adviser](#).

- What plant and equipment do you need to operate your business?

- How do you plan to finance your plant and equipment (rental, lease or buy)?

- What are the ongoing operating costs and maintenance requirements?

Description of plant or equipment Item	Number required	Cost and how financed	Ongoing costs - maintenance strategy

5.6 List of major suppliers

Using the Yellow Pages is a good way to [find suppliers](#). Attending industry events and exhibitions is a good way to examine potential suppliers' products and services.

- Who are your main suppliers and what terms do they offer?

Name	Product/service	Volume purchased	Trading terms	Alternate suppliers

5.7 Stock and inventory

You will need to keep track of the items you sell, use or manufacture. The [stock control](#) system you use will depend on the size of your business and the type of stock you use.

- **What are your storage requirements (e.g. capacity, access, regulations, safety, product deterioration)?**

- **What [inventory control system](#) will you use?**

5.8 Business continuity

[Business continuity planning](#) involves developing a practical plan to keep your business operating after an incident or crisis.

- **Do you need to develop a business continuity plan?**

5.9 Conclusion

- Key points for action plan (e.g. to raise with your [business adviser](#)):

6.0 Human resources plan

In this part of the business plan you will review staff functions, job descriptions, human resource policies, [workforce planning](#) and training.

6.1 Management and key personnel

Starting and running a business requires specific skills so it's essential to identify the skills you already have, and the ones you may need to improve or learn.

- What is your organisational structure?

- Describe the [skills and experience](#) of the owners and key personnel:

Name	Position	Skills and experience

- Have job descriptions (outline of duties) and job specifications (education, experience and personal qualities required) been prepared for key personnel?

- Do you have a [performance assessment](#) process in place?

- Include details of [employment conditions](#) which may list awards or workplace agreements under which staff are employed.

- Include details of [business advisers](#) and other external contacts:

Name	Contact details
Accountant:	
Solicitor:	
Bankers:	
Trade or industry association:	
Consultants:	
Insurance company:	
Other:	

6.2 Staff

In your business, your employees will be your most valuable asset. In most cases they will also be your greatest cost, so it's important to [hire the right people](#).

- Detail the total number of staff employed in the different categories, and [wage expense](#).

	Number of staff			Wages \$		
	Current year	Next year 1	Next year 2	Current year	Next year 1	Next year 2
Administration						
Accounting						
IT						

Legal						
Marketing/sales						
Management						
Production						
Research/technology						
Other						
TOTAL						

6.3 Training

[Training](#) helps you get the most out of your staff and increases their job satisfaction, which can help you retain staff and avoid the expense of recruitment.

- **Current and required qualifications/skill levels of staff are rated 1-10 as follows:**

	Actual (1-10)	Projected (1-10)
Administration		
Accounting/bookkeeping		
IT		
Legal		
Marketing/sales		
Management		
Production		
Research/technology		
Other		

- The following [external training](#) programs will be attended over the next 12 months:

Staff member	Training course details	Date	Duration	Cost

- Structured [on-the-job training](#) will be conducted over the next 12 months:

Staff member	Training course details	Date	Duration	Cost

6.4 Recruitment

If you need to [hire staff](#) for a new business venture or to support growth in an existing business, you should spend time setting up recruitment processes.

- Do you have processes in place for [recruitment and interviewing](#)?
- Do you have a [staff code of conduct](#)?
- Do you have a [staff induction program](#)?

6.5 Succession planning

If you have spent many years developing and growing your business, selling it on the open market may not appeal to you as much as passing it on to someone you know and trust.

- Have you formally documented a [succession plan](#)?

6.6 Conclusion

- Key points for action plan (e.g. to raise with management and/or [business adviser](#)):

7.0 Financial plan

Although you can prepare your own [financial statements or forecasts](#), it may help to work with your accountant or business adviser. You can also use the financial statements in our [sample business plans](#) as a guide.

7.1 Start-up or expansion costs

One of the most common causes of new business failures is not having enough [start-up capital](#) to meet expenses, especially in the first 6-12 months of starting.

- Use the [start-up costs calculator](#) to work out your required start-up capital.

7.2 Profit and loss forecast

A [profit and loss forecast](#) involves listing your planned expenses and calculating the sales targets needed to reach your profit goals.

- Download the [financial statements spreadsheet](#) to help prepare your profit and loss forecast.

7.3 Cash flow forecast

[Cash flow forecasting](#) is a management tool that helps you estimate whether you will have enough cash to pay your business expenses when they become due.

- Download the [financial statements spreadsheet](#) to help prepare your cash flow forecast.

7.4 Balance sheet

A [balance sheet](#) shows your business's assets (what you own), liabilities (what you owe) and owner's equity (total assets minus total liabilities) at a given point in time.

- Download the [financial statements spreadsheet](#) to help prepare your balance sheet.

7.5 Financial ratios

For an existing business, you can assess your performance by completing the following [financial ratios](#) (based on profit and loss reports and balance sheets for the last 2 years).

Ratio	Formula	Definition	Result
Gross profit margin (%)	$(\text{Gross profit} \times 100) \div \text{Sales}$	The gross profit margin is gross profit expressed as a percentage of sales. A key indicator of your business's overall financial health and production efficiency.	
Net profit margin (%)	$(\text{Net profit} \times 100) \div \text{Sales}$	The net profit margin is net profit expressed as a percentage of sales. Shows how effectively your business turns sales into profit.	
Break-even point	$\text{Fixed costs} \div \text{Gross profit margin}$	The break-even point is the point at which total revenue equals total expenses. Shows the minimum sales required to cover costs (i.e. to 'break even').	
Margin of safety	$\text{Total sales} - \text{Break-even point}$	Shows how much actual or forecasted sales exceed the break-even point. Shows how much 'breathing room' you have (i.e. how much sales can drop before you start making a loss).	
Current ratio	$\text{Current assets} \div \text{Current liabilities}$	A measure of your business' liquidity (i.e. ability to repay short-term debts). A ratio below 1 shows liquidity problems.	
Current trading level per month	$\text{Annual sales} \div 12$	Used to determine average monthly sales. Useful for analysing and setting sales targets.	
Budget sales level	$[\text{Overheads} + \text{drawings} + \text{loan (principal)}] \div \text{Gross profit margin}$	This ratio indicates the level of sales needed to achieve the desired profit on drawings and the repayment of the principal.	
Debtor days	$(\text{Trade debtors} \times 365) \div \text{Credit sales per year}$	This ratio approximates the average number of days debtors are outstanding.	
Creditor days	$(\text{Trade creditors} \times 365) \div \text{Credit purchases per year}$	This ratio approximates the average number of days creditors are outstanding.	
Days stock	$(\text{Closing stock} \times 365) \div \text{Material used or stock purchases}$	This ratio approximates the number of days stock is held without replenishment.	
Stock turnover	$\text{Cost of goods sold} \div \text{Average stock value}$	This ratio is used to approximate the number of times in a year the stock turns over. Greater stock turn reduces working capital.	
Gearing ratio (%)	$(\text{Borrowed funds} \times 100) \div \text{Total assets}$	This ratio is used to ascertain the extent to which the total assets of the business are used for borrowed funds.	
Debt to equity ratio	$\text{Total liabilities} \div \text{Owner's equity}$	This ratio shows the relative proportion of owner's equity and debt used to finance your business's assets.	
Asset turnover per annum	$\text{Total sales} \div \text{Total assets}$	This ratio is used to show the extent to which total assets are used to produce sales.	

7.6 Conclusion

- Key points for action plan (e.g. to raise with your [business adviser](#)):

9.0 Appendix

This appendix will contain copies of relevant documents that will improve a reader's appreciation of your business and its goals. The checklist on the following page indicates information you could include.

Executive summary

- References from customers and suppliers
- Copies of business agreement/business name registration.....
- Awards, details of significant milestones

Product/service and market analysis

- Patents, trademarks and copyrights
- Photos of products, equipment and facilities

Marketing plan

- Marketing material including brochures, advertisements
- Market research reports
- Media releases, features, articles.....

Operating plan

- Quality control and procedures manuals

Human resources plan

- Resumes of key people, references
- Organisation chart.....
- Training certificates, degrees

Legal matters and risk management

- Partnership agreements, company memorandum and articles of association
- Employment contracts.....
- Lease and loan documents
- Service agreements

Finance plan

- Profit and loss (previous year).....
- Balance sheet (previous year).....
- Ratio analysis
- Annual profit budget.....
- Annual cash flow forecast
- Debtor and creditor analysis.....