1.2 Business Planning

What is a Business Plan?

Business plans are detailed documents that outline the business idea and what it needs to be successful

Contents of a Business Plan

→ Typically business plans will have the following sections in order to make sure every detail of the business is covered:

The Business Idea –
- → the owners' details
- → what the business does or sells
- → where supplies will come from

The Business Idea –
- → what the business wants to achieve in the first year
- → what the long–term goals are

Market Research –
- → what research has been done
- → what was the outcome of that

Finance + Resource Requirements –
- → source of finance
- → spending plan
- → plans for staff, location, machinery

The Benefits of a Business Plan

Reducing Risk

Starting a business is risky. Writing a business plan can help the owners map out what it is they are going to do and how they are going to get there. This means they can use this plan to make informed choices which will reduce risk – however, risk can not be eliminated completely

Identifying Markets

Most successful businesses will undertake Market Research. Planning for this may mean the business will gather useful information on what customers think about their product or service as well as identify who their target market is

Achieving Aims + Objectives

Setting out aims + objectives within a business plan gives the business the best chance of achieving them. Careful thought, research and consideration will go into them. Businesses can also set a time frame so they can measure their success

Helping Obtain Finance + Identify Resources

A business plan can help a business secure finance. For example, if they need a bank loan, the bank will ask to see the plan to make sure the business is likely to make a profit. Also, a business needs to map out what materials, staff, premises and machinery it needs to operate

Quizizz – test yourself!	Quizlet	Exam Style Question	Video Links	Extended Reading

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Key Words

Business Plan

A document that sets out details of a business like their fiance needs, aims + objectives, resources required etc.

Finance

Meaning what money (or capital) a business needs to start up and run

Resources

Things a business needs to work like fiance, staff, materials

Success

A business can measure success in different ways – profit, surviving, providing a good or service

Target Market

The specific group of people a business is selling to and can be based on age, gender, location, income.