

Information Sheet: Need a business plan?

Sooner or later you will probably need to write a business plan – sometimes funders will request that you have one (especially for larger pieces of work) and sometimes you will feel the need to help you ensure that your project or activity is sustainable in the longer term. Business plans can sound dull, frightening, overwhelming or all three, but actually they are a very useful way of drawing a map which clearly demonstrates the direction in which you are heading and, hopefully, highlights most of the potential pitfalls along the way.

Business plans may seem optional but actually some sort of written plan, no matter how short, is much better than no plan at all – even two or three pages is a really good start for a complex project and may be all you need for a simple one. The good news is that once you've got something down you can always develop it if you find it useful – in fact, that's exactly how a business plan should work – it should never be a complex tome shoved up on a shelf gathering dust. Instead it should be a well-thumbed, regularly updated document, to which you can refer as work progresses.

A few dos and don'ts:

DO:

- Be honest – there is a very little point writing a business plan which is a pure work of fiction
- Make it realistic – if you include aims and objectives they need to be deliverable. It is all very well having an impressive plan which sets out your targets, but it is important to be able to refer people to your previous 5 year plan and be able to show how you delivered on what you promised. This means keeping it simple and making sure that you understand the reason that some projects or activities are not as successful as you had hoped
- Follow some basic methods because they can give you a very good starting point to help you decide what should come next. You could, for example, undertake a SWOT or PESTLE analysis for your new project to help you plan for all eventualities
- Create a realistic budget – there is a separate information sheet which goes into this area in more detail, but the key thing to remember is that your costings should be actual wherever possible. If you don't know how much something will cost you need to find out as closely as possible – ring other organisations or groups who have undertaken similar projects, ask for professional advice, get quotations, use the internet. Use every resource you have available and spend as much time as you need to get your budget really clear and as accurate as possible
- Write in clear and direct language which you know funders and external agencies will have no problem understanding. Avoid jargon and if you must use acronyms make sure you explain what they are
- Include key areas – marketing, for example, or audience development – but remember that there is no magic formula. Include only what seems sensible and relevant to you and your project
- Think about what will work best for you and choose a format you are happy with – there are all sorts of “sample” business plans you can download from the internet. A good starting point is www.startupdonut.co.uk This isn't culture specific but it has sound, basic advice
- Ask to see business plans from other organisations or individuals whose management or work you admire and consider how easy you find the plan to read and understand – if you find a format you like then use it
- If possible you can reduce the workload by having a few people working on the plan together, taking responsibility for different areas
- Include an executive summary which will help readers to get the main points in a digestible form – this needs to be short and snappy, perhaps 6 main points
- Give some background/context to your project and your organisation and remember that you will need to explain some things which you take for granted – the issues around working or delivering a service in a rural area, for example
- Use your business plan to point out all the positives – your successful track record, why you are the best organisation/individual to deliver on a particular area, your expertise, your brilliant idea
- If you add images and graphics (often essential to bring your project/organisation to life) remember that this may make your document too large to email, so keep an eye on how your file size is growing
- Give some hard facts – it isn't all about numbers, but a small “fact box” on every page can be a useful way of really hammering your argument home

- Offer some anecdotal evidence which makes the whole thing human. Really tell the story – not too many stories though, just enough to show the real positive impact of what you are doing/hoping to do
- Make it attractive and pleasant to read
- You may want to use appendices to include additional material such as biographies of key people, supporting letters, lists of partner agencies etc.
- Test it – get someone outside your organisation to comment and ask them to be ruthlessly honest. Would they give you money to support your idea? Do they understand what you are hoping to achieve? Do they believe that you can? Do they feel that you are the right organisation to deliver? In short, are they sold??
- Find an expert to comment if you possibly can
- Check for typos, spelling and grammar
- Check your sums! You'll need to include projections for income and expenditure (which might include sales, audience numbers etc.) These need to be sensible and defensible – know how you worked them out and be ready to evidence the formula you used. For example, the internet is full of formulae you can apply to work out the economic benefit of a festival, but make sure you are consistent in the tools you use

DON'T:

- Pay lip service – a business plan is as useful as you make it, so don't go into it with the attitude that you are being forced to write it. Both the finished document and the process of writing it should be useful to you
- Be put off because the task seems too big – break it down and keep it all short and manageable. Ask for help when you need it – the Creative Economy Officer may be able to offer support, for example
- Write it and never refer to it again. There is very little point spending so much time and effort on a document which will never see the light of day. Keep it up to date and refer to it as your project develops – it will help you to ensure that you don't drift away from your original aims without noticing
- Feel that it has to be a weighty tome – 10 pages may be plenty! Keep it short in order to concentrate on what you really *need* to cover
- Ignore the negative. If you are facing some challenges, perhaps finding a suitable venue will be hard, or your current lease is running out, or you struggle to retain volunteers, then you can include these as challenges in your plan. This shows that you are aware of the potential difficulties you face and are taking responsibility for tackling them where you can
- Forget that everybody in your organisation will need to be committed to the direction the business plan indicates. Everybody needs to understand why it is important and everybody should be involved in creating it and contributing to it if this is practical

You may like to think about attending training on business planning which can be quite a short introductory course covering some of the ground rules or a longer series of "how to" sessions. Your local library may also be able to help with specialist books on the subject.