Business plan

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Your business plan

**Introduction**

Business plans are important, useful tools for every businessperson. You have to make the right decisions for your business, regardless of whether you are still in the planning phase or already established in the market. The business plan first analyzes the situation. You then define your targets. Next, you plan and budget to achieve those targets. The targets and plans can then be used to drive strategy and understand your business's needs, such as capital requirements and financing needs.

This Business Plan template can be helpful in getting an initial impression of your business. This planning aid can also be useful for small- to medium-sized companies already in business. The more innovative, risky or complex the project is, the more sophisticated the planning should be. In that case, we recommend developing a more detailed business plan, beyond this template.

**Procedure**

1. Overview of the company – Briefly describe your company, its sector and key persons behind the business.
2. Current and future situation – Analyze the present situation and the future of the company. Explain precise terms what you consider to be the key strengths, weaknesses, opportunities and threats to your business.
3. Market today and in the future – Describe the market your company is currently in and your expectations for the market three years from now.
4. Marketing – Describe the processes that you intend to use to obtain new customers and/or how you plan to make your company better known among your target customers.
5. Infrastructure and milestones – Here you describe the infrastructural changes you plan to make to reach your targets.
6. Financial plans – Describe the sales and costs of your company over the past few years and how you anticipate this situation will change in the future.
7. Financing – Work out your funding needs based on your financial plan.

Appendix: Consider creating a SWOT analysis as an additional means to support your business strategy

**Tips**

* Customize your business plan for each recipient. What specific goals do you want to reach with whom using your business plan? If necessary, prepare several versions.
* First impressions are important with business plans, too. Take care to present an attractive package, with meaningful and easy-to-understand supporting material.
* Check that your business plan is self-consistent. Can the revenue targets be reached with the marketing activities and staff planning you’ve set out? Will the adjustments to your infrastructure be able to keep pace with growth? Have all the costs and necessary investments been taken into account? Is the timeline for implementation realistic?
* Incorporate a worst-case scenario. For your own protection, we recommend that you always build various scenarios into your financial planning: a realistic management case with your actually budgeted objectives, and a worst-case scenario where, for example, everything takes twice as long and costs twice as much, but produces only half the revenues.
* Assess your situation each month. The business plan provides the necessary framework for monthly controlling: in other words, a rigorous target vs. performance comparison covering contact with clients, quotes, orders, revenues, costs, and – in particular – liquidity.
* Update your business plan regularly, considering the critical feedback and additional questions from your trusted advisors as opportunities to constantly polish your business plan.



1. Overview of the company

*Briefly describe your company, its sector and key persons behind the business.*

**1.1. Company**

 When was or when will our company be **established**? How many **employees** do we have now?

* Established on:
* Entry in commercial register:
* Legal form:
* Number of employees:

**1.2. Industry**

What **industry** are we in? What is our **most important service/product** and what is our **most important customer group**?

* Industry:
* Most important service:
* Most important customer group:

**1.3. Vision**

Where do we want to take our company? What is our **long-term** **goal**?

**1.4. Key financial figures**

What is our financial standing according to our **most recent annual accounts**? How much of an **order backlog** do we currently have?

* Sales:
* Operating earnings before interest and taxes:
* Equity capital:
* Borrowed capital:

**1.5. Key person 1**

**Who** contributes to the success of your company?

* Name:
* Age:
* Education and training:
* Professional experience:
* Function:
* Most important strength(s):

**1.5. Key person 1** (continued)

* Most important weakness(es):
* Financial stake in company:
* Actual:
* Planned:
* Participation in company (working hours):
* Actual:
* Planned:

**1.6. Key person 2**

**Who** contributes to the success of your company?

* Name:
* Age:
* Education and training:
* Professional experience:
* Function:
* Most important strength(s):
* Most important weakness(es):
* Financial stake in company:
* Actual:
* Planned:
* Participation in company (working hours):
* Actual:
* Planned:

**1.7. Key person 3**

**Who** contributes to the success of your company?

* Name:
* Age:
* Education and training:
* Professional experience:
* Function:
* Most important strength(s):
* Most important weakness(es):
* Financial stake in company:
* Actual:
* Planned:
* Participation in company (working hours):
* Actual:
* Planned:



2. Current and future situation

*Analyze the present situation and the future of the company. Explain in terms as precise as possible what you consider to be the key strengths and weaknesses of your business. Try to point out what makes your company more successful than the competition. Then define the most important opportunities, risks and challenges of the future for your company.*

**2.1. Current situation**

What are the **biggest strengths** of our company?

What are the **biggest weaknesses** of our company?

**2.2. Situation in three years**

What are **the most important opportunities** for our company in the market?

What are **the most important risks** to our company?

How are the **needs of our customers** changing? What **specific benefits** do we want to offer them in the future?



3. Market today and in the future

 *Describe the market your company is currently in, listing your customers and products/services. You will ideally include the number of customers per group and how much of overall sales they account for. You then provide the same information for your market three years from now.*

**3.1. Our market today**

What are our **current** **services** and **customer groups?**

* Service:
* Customer group:
* Number of customers:
* Share of sales in %:

**3.2. Customer analysis**

What is the **sales trend** (in USD) of the **five most important customers in the last two years** (including forecast for current year)?

* Two years ago: 20\_\_
* 1.
* 2.
* 3.
* 4.
* 5.
* **Total of the five most important customers:**
* **Five most important customers in % total turnover:**
* Last year: 20\_\_
* 1.
* 2.
* 3.
* 4.
* 5.
* **Total of the five most important customers:**
* **Five most important customers in % total turnover:**
* Current year: 20\_\_
* 1.
* 2.
* 3.
* 4.
* 5.
* **Total of the five most important customers:**
* **Five most important customers in % total turnover:**

**3.3. Chances in the market and in the market environment**

What are the **three most important opportunities** that already exist or are emerging for our company on the **market/market environment** (market trends, market potential, lifecycle, needs, etc.)?

**3.4. Competition**

Who are our **three main competitors**? How high was **turnover** (in USD) and the **market share** (as a %) of the most important competitors in the last year (estimate)? What are their significant **strengths and weaknesses** (product, range, market canvassing, price, organization, etc.)? Which **strategies/measures** can probably be expected from the competitors?

* Competitor 1:
* Turnover:
* Market share:
* Strengths:
* Weaknesses:
* Expected s**trategies**/**measures** of the competitor?
* Competitor 2:
* Turnover:
* Market share:
* Strengths:
* Weaknesses:
* Expected **strategies**/**measures** of the competitor?
* Competitor 3:
* Turnover:
* Market share:
* Strengths:
* Weaknesses:
* Expected **strategies**/**measures** of the competitor?

**3.5. Our market in three years**

What are our **planned services** and **customer groups** in three years?

* Service:
* Customer group:
* Number of customers:
* Share of sales in %:
* Total:



4. Marketing

 *List all of your customers that are “good references”; give a brief description of why your customers are so happy with your company. Describe the processes that you intend to use to obtain new customers and/or how you plan to make your company better known among your target customers. Name the distribution partners you wish to offer your services through and/or who will be helping you to win new customers.*

**4.1. Reference customers**

Who are **our reference customers** and why are they happy with us?

* Name:
* Reason for being happy with us:
* Share of sales in %:

**4.2. Customer loyalty**

What do we do to **foster customer loyalty**?

**4.3. Sales**

How do we win new **customers** and **orders**?

**4.4. Advertising**

How do we make our company **known**?

**4.5. Partners**

Who are our most important **sales** or **other partners**?

* Name:
* Partnership:
* Share of sales in %:



5. Infrastructure and milestones

*Here you describe the infrastructural changes you plan to make to reach your targets. This will be the foundation for the next three years’ investments/purchases; it will also allow you to define milestones with clear target dates. Make sure that your goals are measurable and that they can be verified on the target date.*

**5.1. Infrastructure**

What **infrastructure initiatives** have been planned (staff, organization, location, office, IT, production, storage, etc.)?

**5.2. Suppliers**

Who are our most important **suppliers**?

* Name:
* Service/Product:
* Share of purchasing volume in %:

**5.3. Milestones**

What are our next **milestones**?

* Milestones:
* Who:
* When:

**5.4. Investments**

What **investments** are planned for the immediate future?

* Investment:
* Costs (USD):
* When:



6. Financial plans

 *Describe the sales and costs of your company over the past few years and how you anticipate this situation will change in the future.*

**6.1. Budget and balance sheet**

What will our company's financial position in **coming years** be? (in USD)

|  |  |
| --- | --- |
| **Description** |  |
| PROFIT/LOSS ACCOUNT |  | 2 years ago |  | Last year |  | Budget (this year) |  | Next year*20* |  | In 2 years*20* |  | In 3 years*20* |  |
| **Net sales** |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ./. Raw materials and consumables |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Gross profit** |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ./. Staffing costs |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ./. Marketing and distribution costs |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ./. Other operating costs |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ./. Amortization and depreciation (business) |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Operating earnings before interest and tax** |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ./. Financial expenditure |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ./. Financial earnings |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ./. Taxes |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Operating profit** |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ./. Non-operating profit (earnings—expenses) |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Net profit** |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Dividends |  |  |  |  |  |  |  |  |  |  |  |  |  |
| BALANCE SHEET |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Cash and cash equivalents |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Receivables |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Fixed assets |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Payables |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Current bank borrowings |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Loans |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Mortgages |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Remaining long-term borrowed capital |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Equity capital |  |  |  |  |  |  |  |  |  |  |  |  |  |



7. Financing

*In this step, you work out your funding needs based on your financial plan and then present your needs to the recipient of the business plan as a petition. Show what benefits your financing partner will enjoy by agreeing to your petition and what collateral you have to offer for the funding. Most importantly, you have to demonstrate how you will keep the finances and liquidity in your company under control in the future.*

**7.1. Capital requirements**

What **capital requirements** does our **financial plan** set out?

**7.2. Capital procurement**

How and with **which partners** will the capital be obtained?

**7.3. Financing application**

What specific applications have we made to the **bank** or other **financing partners** (suppliers, customers, private investors, leasing, factoring, etc.)?

**7.4. Benefit**

What **benefits** can the **investor** expect from accepting our application?

**7.5. Securities**

What **securities** can/will we offer our **financing partner**?

**7.6. Controlling**

What procedures will we follow to keep our **finances and our liquidity under control**?



Checklist

SWOT Analysis

The SWOT analysis – **S**trengths, **W**eaknesses, **O**pportunities and **T**hreats **–** is a widely used instrument for analyzing the situation of a company.

With this simple and flexible method, internal strengths and weaknesses as well as external opportunities and threats affecting the company’s fields of action are considered.

**Strengths:**

* What are our strengths?
* Where do we see our competitive advantages?
* What are our core competencies?
* Where are we profitable?
* What experience do we have?

**Opportunities:**

* Which client needs can we meet?
* Which economic trends can we follow?
* Which negative political and social trends can be expected?
* What technological innovations can be expected?
* What niches are there?
* Which growth strategies can we pursue?

**Weaknesses:**

* What are our weaknesses?
* Where do we need resources?
* What can we improve?
* Where are we losing money?

**Threats:**

* Which negative trends can be expected?
* Which negative political and social trends can be expected?
* Which trends are our competitors following?
* Where are we vulnerable?

Source: UBS AG