

7 Easy Steps to a Business Plan That Works

By



Business Planning
in a Box™

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This e-book is designed to provide information on how you can improve your business.

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Welcome

Business planning is a favourite topic for high flying, super successful businesses, but strangely its perceived as a problematic pain in the rear by 98% of other businesses.

Could that be why only 2% of companies are super successful?

Who do you know who has a super successful business? Do they have the Midas touch or is it a well thought out robust but stretching business plan that guides them to great success? We'll bet on a plan.

Do people in the same trade as you, have the posh cars, big houses and lots of holidays? Do you wonder how they manage to afford it when your finances (and time) won't stretch that far?

We know its because they have a plan and you don't.

We're going to assume you're reading this because you're fed up with just jogging along or that you might need a plan because you need to raise some money.

We're here to help you get clarity around your goals and how to achieve them. If it's money you want we can help just get in touch at hello@bpiab.co.uk

"Many business owners we work with were exactly where you are: frustrated, overworked, underpaid, and wondering if it's really worth continuing with the business."

They all had one thing in common. They had employees, paying customers and a trading business. It might not have been brilliant but it's a great platform to move forward, get focussed, improve and grow.

Only a tiny percentage of business owners knew how to pull a business plan together when they started. The vast majority didn't, and just like you they took the time to learn, develop the skills so the business benefitted.

What You'll Learn

We'll introduce you to a world where you get to understand,

- The huge positive difference a good business plan makes
- How to find the right customers, suppliers, employees, and products
- How to make lots more money
- How regular planning doesn't have to take days or reams of paper
- How stress reduces, enjoyment and enthusiasm returns: more smiles and less hairpulling
- How the money flows in.

Shall we start?

Step One: Goals

You'll have heard this 1000 times before; without clear goals, how will you know when you succeed? It never ceases to amaze us how businesses muddle through without plans. Consider a journey you must make. It might be car, train, or plane, but whichever you end up in the right place. How does that happen?

Easy.

You choose a destination, someone makes a plan for you to execute and by following the steps, one by one you arrive where you should! Once on the journey you keep thinking about your destination. If there were road closures or traffic jams you naturally work out how to get round them to reach your destination.

Running a business is no different.

All that's needed is a clear goal / target / objective (whatever name you prefer) and then keep your focus on it all of the time. Here are some examples...

- Secure 7 new clients by the end of quarter one
- Sell 820 units of X by the end of the month
- Increase profit margins on X product from 22% to 25% by Y date
- Employ a part time FD next quarter
- Increased footfall in your retail unit to X

- Ensure 90% occupancy in your restaurant every weekday and a double table turn on 60% of tables on Friday & Saturday night and Sunday lunch times.
- Reduced quality errors by half
- Improve Feefo ratings from 3.8 two 4.9 etc...

Those are the types of goals you could set. One challenge we have with most companies is to stop them having too many goals at the top of the organisation. Many come up with at least a dozen. We believe that:

- XYZ Ltd should have 3 - 7 goals, no more
- The marketing department at XYZ Ltd should have 3-7 goals for their department that contributes to the XYZ Ltd goal.
- The social media team in the marketing department of XYZ Ltd will have 3-7 goals that contribute to the departments goal which also contributes to XYZ Ltd corporate goals.

And finally, even your junior members of staff have clear goals and can see how achieving them helps the business achieve its corporate goals.

Start at the top and work down. Just don't ignore the great suggestions that come up from your teams.

Then make sure that these corporate goals are included in your one-page business plan for everyone to see.

Step Two: Reviews, In & Out

A key element of the business planning process is to look backwards, sideways, and forwards, not forgetting up and down too! A business review has three elements:

1. Internal Review

The internal review looks at what happens inside your organisation. Many see it as a Drains up review meaning you look at everything! Consider

- What are your strengths and weaknesses?
- What issues do you have to resolve?
- Are all departments firing on all cylinders?
- What can you improve, do better, reduce, increase, grow or remove..?

Take this opportunity to look at the performance of everything across your business and how it works. There will be good things, brilliant things, bad things and definitely the things that need improving.

2. External Review

Also called the macro review (as opposed to micro review) and is usually based on the PESTLEG acronym. This stands for the 7 areas of an external review that you need to carry out:

- Political
- Economic
- Social
- Technology
- Legal
- Environmental
- Geographical or global

It's crucial that you scan the horizon, near and far. What is hurtling at you that will have a positive or negative impact on the business. Even a ripple impact could send shock waves through your business. Think Brexit, COVID-19, adverse weather. Consider legal and social changes; Black Lives Matter, Me Too, rise in single households, technology, AI, home working, aging population, green issues, etc...

Take each sector, review, research and take time to consider what you uncover that might impact your business. You are looking for both opportunities and threats.

3. Competitors

- What are your competitors up to?
- How might their actions impact your business?
- Do they have a new product coming along which will knock sales of your range?
- Are they raising their prices, or reducing them, changing suppliers, finding new markets, attracting new staff etc...

We find that businesses are very good at surveying competitors that work in direct competition, but sometimes forget other businesses that are competing for the money in your customers wallet. For example, a restaurant not only competes with other restaurants but also the cinema, the bowling alley, a takeaway, home dining, or the holiday savings account. People could spend their money with them rather than spending it at your restaurant.

Step Three: What You Sell?

What do you sell, products or solutions? Customers buy solutions even when they buy chocolate! They're looking for a sugar fix, a boost of energy, a guilty pleasure, a treat, a reward....

In general, customers want one of two things. They want the pain, the discomfort or the problem removed; a broken washing machine, a car that won't start, no hot water, a broken pair of glasses, no shampoo in the bottle, etc...

Alternatively, they want a desire satisfied; a new dress, the bar chocolate, a meal out, entertainment, a holiday, a better car, a bigger house, a new handbag, etc...

So, consider where your product or service fits in.

Understand which products make you the highest profit, can you sell more of these? Which products make very little profit or perhaps none? Which products are soon to be obsolete? How do you keep the stock moving, how do you get customers to upgrade or buy the maintenance package...?

What does your external review tell you about the products customers will demand in the future is it the same as the ones you have now or different ones?

The question to ask is. 'why would anybody buy what you have, would you buy what you have?'

If you're stuck answering that question, ask your existing customers why they bought from you.

"What do you sell, products or solutions? Customers buy solutions even when they buy chocolate! They're looking for a sugar fix, a boost of energy, a guilty pleasure, a treat, a reward...."

Step Four: Who's Buying

I wish we had a pound for every business that tells us the product is perfect for everyone or that their target market is all men over 35.

Really?

The saying the riches are in the niche's is very true. What target segments do you have?

For example:

Segment	Market Size
I teach golf	100,000
I teach ladies to play golf	25,000
I teach lady golfers to putt better (the niche)	5,000

Get specific address your target groups specific needs and then dominate your chosen niche's. Niches may be smaller but they're super targeted. How many niche's do you have? Do you have a typical customer for each segment if so why not put their picture up to remind you exactly who is in your niche?

Do you have any customers who represent more than 20% of your income? If so, what would you do if they stopped buying from you or went bust owing you money?

In the early days of any business every client is a good one. Before long you realise that that's just not true. Have a plan in place to replace poor unprofitable clients with more of your great clients. You'll soon find that life is much easier and way more profitable.

Step Five: Forecasts

Today the metrological office is much better at forecasting than 10 years ago. It's learned over the years to refine its analysis and improve its accuracy. Now we can get weather forecasts for the next 14 days by post code.

Of course, the further away the weather is forecast the less certainty there is that it's correct. That's why we watch the forecast every day and adjust our activities depending on tomorrow's, much more accurate forecast.

You need at least 2 forecasts; sales and financial and depending on industry a production forecast too.

The sales forecast to anticipate when sales will arrive. If you're a seasonal business, you'll know the peaks and troughs so this needs to be planned in. As you grow and ramp up sales then you'll need more resource and sales forecasting will help you know when to increase or reduce capacity and resourcing .

Preparing a 12-month sales forecast. it's a great step but it needs refining every month and quarter as you move through the year.

The other forecast you must have is a cash flow forecast. Cash is critical for every business and you need to make sure you have enough cash at the right time. A business can go bust because it runs out of cash. That applies to profitable businesses too.

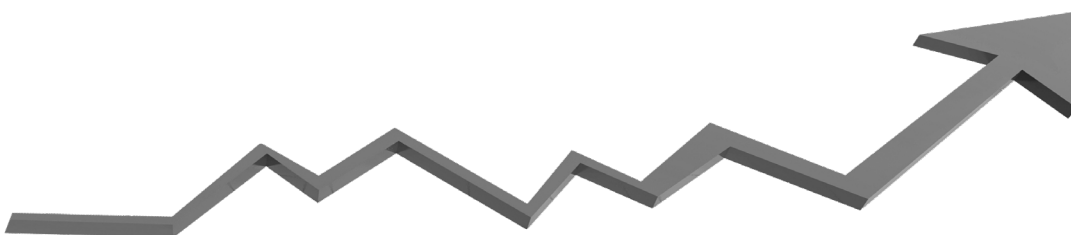
When Jamie Oliver's chain of restaurants went into administration, Jamie Oliver said... " we simply ran out of cash".

Handling Shockwaves

What did you do when lockdown was implemented?

Our guess is an urgent re-forecast to see if your business would survive and whether you could secure funding. But if you'd been reforecasting and reviewing every month then you'd have been aware of a possible lockdown as soon as Wuhan in China was locked down.

We were amazed and saddened just how many businesses were caught out by COVID-19. They hadn't looked forward and re forecasted so they didn't understand the impact that this would have on their business. Once sales and financial forecasts are in place, it is important that you stress test and look at worst possible scenarios to establish how robust your business is.



Step Six: Action Planning

Now you have two out of the three critical bits of business planning paper; the one-page business plan and the forecasts, in place you're ready to add the final piece of the jigsaw; the action plan.

We're always a fan of less is more. Our preference is a huge wall calendar because it's easier to see a bigger time frame than you can see on an Outlook calendar.

The calendar serves two purposes:

- A reminder of important dates that cannot and must not be overlooked, and
- A planning and execution tool.

Populate your calendar with dates. Start with finance, your accountant can help with these dates. Then include domain renewals, insurance renewal dates, testing certificates, etc. And then add holidays and business closures for Christmas, Easter, and other periods. Now add on exhibitions, product launches, new factory openings, etc...

Then overlay your regular marketing, newsletters, mailings, special offers, and campaigns etc...

Use Post It notes, write each activity on one Post It note and pop it up on the wall. Sort them into the months you want them to be done. Step back and review. Shuffle them around to get to the right solution.

Can you really get all that work done in September and then look forward to twiddling your thumbs in October..? If everything has to be done in September, then you'll need more money and or resource that's an issue for you to resolve.

Step Seven: Review and Reforecast

Well done! Now you've a clear plan that everybody understands and is ready to help you deliver business success!

Don't put it in a drawer keep it on your desk.

Why?

The only effective plan after the one that's written down is the one that's implemented, monitored and reforecast regularly.

Depending on your business trade or industry you'll review daily, weekly or monthly. Every business must do a minimum of monthly.

Review what's happened; internal and external what's changed on the horizon. Actual money spent rather than the budget. Actual sales income rather than the budget. Reassess next month and re forecast.

If you didn't hit target don't just reduce future targets take time to understand why you didn't hit the goal. Solve any problems and get back on track.

As well as a monthly review make sure you add on a new month; you should always have a six-month forward view.

every 90 days take more time to do an in-depth review. By more time we mean half a day away from the business as usual. That's all it should take.

Then all you're left with is the annual re planning when everything goes under the microscope.

And finally....

We hope you can see how beneficial a robust, thought out and sense checked business plan can be.

It's only three pieces of paper

- Everyone can understand it, nothing is lost in translation
- Quick & easy to review and re forecast
- A checkpoint and a constant reminder of your goals
- Reduces the distraction of shiny new things
- Reduces stress and improves productivity and performance

Why not share this information with your management team as you get to work on building your plan.

When You're Ready

Here are 4 ways we can help you and your business.

1. Join The Business Planning Club

<https://www.facebook.com/groups/299562827991819> a private peer to peer group on Facebook and get your free welcome bonus; Business Success, 57 Questions Checklist.

2. Business planning is a key part of becoming a Grown-Up Business

Buy The Grown-Up Business Book <https://www.amazon.co.uk/Grown-Up-Business-Shirley-Mansfield/dp/1910125326/>

3. Order Business Planning in a Box

www.bpiab.co.uk our workbook packed full of templates, checklists, and tasks. We will guide you step by step to a business plan guaranteed to help you have your best every year. The investment is £197.

4. Work with us One on One

Just email us at hello@bpiab.co.uk to find out about our annual planning programme that guides you to the business of your dreams.

Scroll down to read about the Authors...

About the Authors



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For almost 30 years I've been helping owner managed businesses achieve the success that they always dreamed of. Specialising in financial planning, sales and business growth I have (so far) helped businesses raise more than £87m in finance and increase sales by an average of 27%.

I've also helped 17 owners sell their business and either move on to new challenges or sail into the preverbal sun set.



Shirley Mansfield MCIM, ACII

With a long business career focused on management, marketing, sales, business development & re-engineering, I'm now a very happy Master Problem Solver, Business coach and author of The Grown-Up Business Book.

Ambitious business owners hire me to help them become a Grown-Up Business. They trust me to resolve the problems, issues and challenges plaguing their business. To initiate robust business planning, which drives growth, improves profitability, and makes their business dreams come true.