

5 tips to help you prepare and get your business plan right

Business plans are dead — or are they? For many entrepreneurs, the business plan is an outmoded document and Start Ups rarely think they need one to get by.

But the fact is that a business plan isn't simply a paper document; it can be a very valuable tool, it can be a roadmap for even the smallest or earliest-stage idea. It can foster alignment of ideas, set the tone for the business and even help with the brand messaging. And by preparing one, a company can identify a clear and definite plan of action to implement the business strategy where every member of the team knows their clearly defined role.

Without a plan, a business is essentially rudderless, and day-to-day activities are likely to be haphazard and reactive, in stark contrast to those businesses that implement a well thought out and structured business plan.

Here Connor Sweeney from our Funding Advisory Services team gives us his top 5 tips to help you prepare a strong business plan.

1. Presentation

Make sure your plan is easy to read – include headings, paragraphs, tables and graphs if appropriate. Include some white space. You must attempt to keep the reader interested throughout the whole of the reading. Try to avoid the use of industry jargon – not all readers of the plan are as conversant with industry language as you are. Avoid the use of acronyms without first explaining what they stand for. This is especially important if the industry in which you operate uses acronyms as standard. Do you know what a PIP is? It's a Programme Implementation Plan, but you could possibly have been guessing for ages if you hadn't been told. Small things like that frustrate a reader of a business plan if it is full of acronyms. Try not to do that!

2. Remember the objective

What is the purpose of your business plan? Is it primarily to raise finance? What type of finance? If it's equity then you should tailor the output to an investor's point of view, i.e. a return on their investment after a period of programmed development and a sale to maximise their investment – usually via a trade sale for cash. If you are using the business plan to approach a lending institution (bank) for funds then you need to tailor the plan slightly differently – they are interested in the business's ability to repay. You should prepare the plan with this in mind. Think about the business idea from the reader's point of view. Why would they have an interest in this project?

3. Keep it to an appropriate length

An investor may have to read a lot of business plans. The more concise and to the point that a plan is the better. The plan should only serve to get you, the promoter, in front of an investor to make your pitch for funds! Make sure that your executive summary (the most important part of the plan) is no longer than 2-3 pages and that the whole plan is less than 25 pages using a font size 12. Oh, and don't use the executive summary to introduce new ideas – they should have been addressed in the main body of the text. Write the executive summary last. The best plans are the ones that have been

distilled down from their original full size version to a clean, concise document. If you have additional information, it can go in an appendix.

4. Verification

Make sure that what you say in the plan is correct. Use your prior trading experience, provide external data and research results to back up what you say. Don't fall into the old trap of overstating the size of the market. When estimating the size of the market, if you achieved 100% of the market sales would your turnover be what you claim the market size to be? Also don't fall into the "we'll achieve 5% of the global market" trap. How are you going to do this? That's what the reader wants to know!

5. Leave enough time to prepare it properly

Don't rush the job. If it is prepared in a hurry, it will look like it has been! Get it ready and then leave it alone for a few days before revisiting it. Get someone else to read it – it's amazing what a second pair of non-industry eyes will do! Often, promoters will look at the first draft of their business plan after a year or so and be amazed how amateurish it looks. Your first attempt will probably be the same! Don't be put off, everything can be improved with a bit of work.

Connor adds that the key to a successful plan is one that catches the eye of the investor, gets the financials right and has enough detail on the route to market. For more information visit

<http://www.intertradeireland.com/seedcorn/hints-and-tips/>

About the Author



Connor is the project manager of one of InterTradeIreland's flagship funding projects, the Seedcorn Investor Readiness Competition which aims to encourage new start and early stage business from all sectors to become investor-ready. As a former practicing Chartered Accountant, Connor has a range of experience gained from working in an advisory capacity with a number of SME's across the island. His skills stretch from business planning, internal management accounting to raising finance and financial control and he has worked with early stage/start up businesses and more established ventures across a wide range of industries. Connor sits on the Local Advisory Board of the Career's Academy and he is an Associate Member of Chartered Accountants Ireland. Connor is also a founder and director

of his own start up business which commenced trading in 2000. He has also invested in a number of early stage companies.