

WRITING A BUSINESS PLAN.

A business plan is the most important single document in relation to your project. It explains:

- why the project is necessary
- what the project aims to achieve
- how the project will be delivered and managed
- how the project will be monitored
- how the project will be funded

The business plan should be capable of being read as a stand alone document. Someone with no previous knowledge of the project should have a good idea of what the project is all about after reading the business plan and why they should support it.

WHY IS A BUSINESS PLAN IMPORTANT?

All funders are obliged to ensure that the projects they support:

- are financially viable
- provide value for money
- are capable of being effectively implemented

The project's business plan is the key document which allows these judgements to be made.

WHAT SHOULD A BUSINESS PLAN CONTAIN?

There are no golden rules for writing a business plan, it's very much a matter of personal style. Every project is different and the contents of the business plan will, to an extent, reflect these differences. The suggestions that follow are meant as guidelines only.

POSSIBLE CONTENTS

- Summary
- Background
- The project
- The market
- Financial information
- Milestones and year 1 workplan
- Monitoring plan
- Fundraising plan
- Marketing plan

SUMMARY

Some people who receive your business plan will read only the summary page. Almost everyone who receives it will read the summary page first, and will return to the summary if they want an overview of the project or if they want to explain the project to anyone else. It is a very important part of the plan.

The summary should contain:

- A description of the project and its benefits
- Information about who you (the applicants) are, and your relevant experience and expertise
- Key financial information in terms of the overall cost of the project and the expected sources of funding
- A clear statement of what is being asked from the funder and what proportion of overall funding that represents

The summary should be short, no longer than one page, and should always be written after the rest of the plan has been drafted.

BACKGROUND

This section should contain relevant background information about the applicants and the project. More often than not proposals are funded on the basis of the level of relevant skills and experience of the applicant organisation, and its key people, as well as on the basis of the proposed project.

Applicant information:

- who are you
- what you do – what are your goals or objectives
- where you operate
- when you were established
- your track record – what you have already achieved, what support you have received
- how does your group reflect wider community involvement and representation

The message of this section is: **we have credibility**

Project Information:

- how you came up with the idea for the project
- how did you identify a need for the project
- are you confident of the level of demand for the project

THE PROJECT

This section should describe the key elements of the project, how the services and

facilities link to the project aims, and what difference the project will make. It should also make clear linkages between the project and the target funders programme priorities.

Project Aims

These should relate to the expected results of your project and deal with the following questions:

Why?

- Why are you undertaking the project – you should be able to show evidence of need and demand
- What specific problems and needs are being addressed
- Who/what will benefit directly and indirectly from the project and how

What?

- What are you specifically proposing to do
- What will be the major project activities
- What do you expect to happen during the life of the project
- What will be different as a result of the project
- What will happen when the project ends, or if it is to continue how will it be sustained

How?

- How are you going to undertake the project
- How will the project be managed

Where?

- Where will the project be located

When?

- When will the project activities occur
- What are the key dates for the project

FINANCIAL INFORMATION – THE BUDGET

This section of the plan demonstrates that the project has been accurately and thoroughly costed. The level of detail required here will depend on the level of funding being sought and the financial complexity of the project. This is possibly the most important section of the plan, and also the section where you are most likely to

require professional assistance.

It should contain:

Breakdown of project costs

This is simply a list of what you intend to spend on the project with a cost attached to each item.

Income and expenditure statement

This is a chart detailing the annual income and expenditure of the project.

- income likely to include: grants, payments for services, income from user charges/fees, bank interest, in-kind contributions, fundraising
- expenditure should be broken down into capital costs and revenue costs

Cash flow forecasts

This is basically a chart which provides information about anticipated project income and expenditure for each month of the year. Such a statement is usually required for each year of the project.

It is important that any assumptions made in relation to income/expenditure and cash flows are noted, e.g. income from charges and fees will be dependent on estimates of user numbers.

MILESTONES AND YEAR 1 WORKPLAN

This section demonstrates that you have a planned and systematic approach to the development and delivery of your project.

Milestones are key events or achievements which demonstrate the progress of the project. They will vary for each project but might include:

- appointment of staff
- opening of new premises
- launch of new service

Decide on the key milestones for your project and list each one with its target date.

The **workplan** involves a two-column table. The first column consists of the months of year 1; the second column contains the key work tasks for the month.

THE MONITORING AND EVALUATION PLAN

All organisations must be able to track the progress of their projects through a

monitoring and evaluation system. The monitoring plan should present the method for ongoing review and measurement of progress towards the project's objectives. It should focus on regular measurement of workplan progress and achievement of project milestones and should deal with the following questions:

- how will you measure the project's performance
- what features of the project will you be checking– e.g. number of service users, number of user groups, number of classes held etc
- how will the information benefit your organisation
- how will you collect the data
- who will be responsible for collecting the data
- how will you evaluate the data
- how will the data feed into your decision making processes

You will also need to outline the nature and frequency of financial monitoring arrangements. This might take the form of monthly income/expenditure and cash flow reports to the project management committee.

THE FUNDRAISING PLAN

This section indicates how you plan to raise funds for your project in the longer term and should detail:

- a strategy detailing the organisations and funding sources you intend to approach including why and when you intend to approach them
- other fundraising plans, e.g. local fundraising events
- the purpose for which these funds are to be used

THE MARKETING PLAN

This section should set out the main elements of marketing and promotion which you consider appropriate given the nature, scale and location of your project and may include:

- press and local radio advertising
- posters
- leaflets
- special events

BUSINESS PLAN APPENDICES

There are no golden rules about appendices but general principles are:

- the main plan should convey all the important information about your project, but should be relatively short – additional detailed information should be included as appendices
- be selective, and don't attach unnecessary information – funders make judgements on the quality of applications not on quantity of information

- the number and length of appendices will depend on the size and scale of your project

Appendices might include the following items:

- detailed financial forecasts
- audited accounts
- latest annual report
- copy of constitution
- brief biographies containing relevant experience of key committee members
- detailed architectural plans/drawings
- details of community consultation exercise
- relevant photographs
- letters of support for the project from prominent people/other funders/users/beneficiaries
- photocopies of press cuttings