

Guide to Completing the LEO South Dublin Business Plan Template

*[For use with the accompanying Leo South Dublin Business Plan Template & the Leo South
Dublin Financial Forecasting Worksheets Template]*

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Guide To Completing The LEO Business Plan Template

Please open and / or print out this Guide and use it help you complete the accompanying LEO Business Plan Template. Some of the sections may not be applicable to you depending on the scale and complexity of your business and if this is the case, please indicate with N/A as appropriate.

Cover Sheet: Complete the cover sheet of the plan to include business name, address, contact person, date etc as shown

Header & Footer: Edit Header & Footer as shown to include the Company / Business name, year & logo if applicable.

Confidentiality Agreement: It is usual to insert a confidentiality clause similar to the one shown. However you can amend this to your requirements.

Table of Contents: As shown. Amend to reflect your actual plan where / if necessary.

1. Executive Summary

The Executive Summary is an overall view of your business and it's potential. It is a very important part of the Business Plan. It should not be completed until the business plan is written. It should be brief and to the point. Since the Executive Summary is normally the first part of the plan an investor will read, it needs to be well written and stand out from the many other plans an investor will have received.

It should provide the following information:

- Business name, owners and location of the business.
- Purpose of the plan
- Products and services you intend to sell and their advantages
- Market opportunity - summary of target market and competitors
- Management team
- Track record - What experience you have in the selected market segment that will demonstrate to an investor your knowledge and expertise?
- Financial projections for first 2 years summarized and highlighted as follows:

	Year 1	Year 2
Sales		
Exports (if applicable)		
Net Profit before Tax		
Investment		
Employment		

- Funding requirements i.e. the amount of finance needed, for what purpose and the repayment terms sought.
- The amount of money, you the promoter, will invest in the business.
- State why you believe that the project will be viable and profitable.
- Will the business generate adequate profits and cash flow to repay loans advanced?

Remember that potential investors often make a provisional judgment based on the executive summary, and their decision to read the main body of the business plan will depend on the information presented here. The appendices at the back of the plan contain more detailed information to support the main text of the business plan.

2. Company / Business Description

- **Promoters, Shareholders and Board**– Names, relevant expertise (can include Resume / CV in Appendices) % shareholding, cash investments to date
- **Management** structure, business organisation & areas of responsibility
- **Advisors** – financial, legal & other to be listed with names, addresses and contact details
- **Legal Status & Licenses** – legal structure of the business; any specific licenses required to operate the business; Health & Safety considerations.
- **Products & Services:** Explain clearly what your product or service is and what it does – include background to its development, benefits & features, USP, Advantages to customers, disadvantages or weak points, milestones to date, Future developments
- **Long term Aim of the Business** – where do you see the business in 5 years time?
- **Objectives:** State the specific milestones to be achieved by the business over the next 2 years (sales, Exports, employment, product development etc)

- **SWOT Analysis:** Analyse the strengths and weaknesses of the business and product or service, the opportunities that exist in the marketplace and the threats to the viability of the project. This may be laid out in diagram form as follows if you wish:

Strengths • • •	Weaknesses • •
Opportunities • •	Threats • •

3. Market Analysis

This section covers market research / knowledge and competitor analysis. You must show that you have done the market research to justify the projections made in your business plan. It must demonstrate that there is a viable market and that you can beat the competition in the market for sales. Evidence of market research e.g. results, questionnaire surveys etc should be referenced and included here or attached in appendices.

Target Market

This is the market in which you are planning to sell the product or service. Analyse the segments of the market as follows:

- Size of each market segment
- Is the segment growing or declining?
- Characteristics of potential customers in each segment (profile, habits etc)
- Entry barriers and how you propose to overcome them
- Include details of top 5 – 10 prospects where applicable (e.g. advance purchase commitments from buyers)

Total Market Valuation:

Show the total potential value of the market for this type of product or service, in all the targeted markets, domestic and international.

Target Business Revenue

These figures are the basis for the sales figures in your financial projections and must be based on realistic assessments. Include average deal size, length of sales cycle, recurring revenues,

Market Trends

Analyse what is happening in the market as follows:

- Recent changes
- Future predictions
- Drivers such as demography, economic, legislative, fashions, seasonality, currency fluctuations & implications for your product / service
- Your plans to meet future demands and changes in the market

Competitor Profile

Regardless of the product or service that you offer you will always have competition. Reaction by your competitors may alter some of the assumptions you have made in relation to price, service, promotion or advertising. You need to analyse your competitors as follows:

- What are the competing (or alternative) products / services?
- Who and where are your competitors? – Profile the key players (company size, turnover, profitability etc) and their market share
- What range do they offer?
- How broad is their range?
- What are their target groups?
- What are advantages and disadvantages of the competitor's offerings?

Your Competitive Advantage

This is your assessment of why potential customers will choose to buy your product in place of those profiled above. Here you must consider your unique selling points (USP's) and how you might differentiate your product / service from the competitors. Your advantages may include: unique features, price, new technologies / systems, better value to customers in terms of efficiency or ROI or cost/ benefit ratios, greater compatibility with existing systems. Don't forget to include any independent validation or case studies.

Benefits to Client / Consumers:

This is what your product or service provides to potential customers in terms of their own business / life / personal goals. Is there a compelling reason why customers should do

business with you? What will buying your product or service actually do for your customer? Does your product or service enable them to:

- Increase sales (B2B)
- Increase efficiencies
- Save money / time
- Maximize resources
- Reduce errors
- Reduce downtime (B2B)
- Improve customer service, increase loyalty (B2B)
- Improve their sense of well being/ status/ security/ comfort/health

4. Marketing Strategy

Marketing is everything you do to reach and persuade prospects that you are the company for them. It's the message that prepares the prospect for the sale. This section sets out your strategy (or approach) for reaching your target market, arousing their interest in your products or service, and actually delivering the product or service to them in sales. Your marketing strategy gives you direction and focus and shows how you will position your product / service in the market and differentiate it from the competitors. It identifies your prospects and how you will reach them. Have you a test site in operation and what feedback is coming from this? What contacts can be used to generate market awareness and sales? This section should address product proposition, pricing, distribution, promotion, placement and people as follows:

Product Proposition: What products / services will you offer to the market (detail the product range), identify the USP's and how you will differentiate your product or service and which key benefits will you highlight?

Pricing Strategy

Pricing has to be carefully considered because the price you select has an important impact on the image of the product or service you are offering. Always remember that once a price is established it is extremely difficult to change. In determining your pricing policy, you need to bear in mind production costs and overheads, profit margins, distribution costs, promotional expenses, competitors' prices, level of competition in the market, perceptions of quality-price relationship by customers, and the buyers bargaining power. Outline your pricing strategy e.g. cost based, mark up, demand –based, follow the market, penetration, price skimming or time based pricing.

Distribution strategy:

You must decide the geographic area and market segment in which you will market your product or service and whether it is better to sell directly yourself, go the retail outlets or use wholesalers/ internet? Is it B2C, B2B? You can sometimes beat the competition or generate much more profit by using a unique distribution system. Will you sell directly yourself (or staff) or use independent reps or agents? Is it domestic or export or both? Outline how you propose to get your product/service to your customers .i.e. your distribution channels

Promotional Policy:

This deals with how you will promote your product / service and communicate your marketing message(s) to your prospects. You need to establish an image that suits your business. You should outline the marketing media or media mix you will use to project or convey your message(s) e.g. Print, PR, Broadcast, On –line, Outdoor or Sales promotion media (e.g. packaging, point of sale, giveaways, exhibitions or trade fairs). To what extent will you use networks, referrals and word of mouth promotion?

People policy: Who will conduct the marketing and / sales for your business? Will you use staff, agents, reps, consultants?

Marketing Costs: Estimate the projected cost of your marketing strategy & plans.

Sales Plan:

This section should address who will conduct the selling for your business and are they professionally trained to sell? It should outline what selling methods you will employ, for example telephone selling, cold calling, following up leads from mail shots, advertising etc? It should also deal with what sales volume and activity targets, such as calls per day etc, have you set for each salesperson or selling method? Outline the length of the sales process from the customer becoming aware of your product or service to making the buying decision, receiving the product or service and finally paying for it?

What procedures do you have for handling customer complaints? Will you make the product yourself or buy in either ready to sell or as components for assembly?

Sales Forecast

You will need to prepare a sales forecast on which you can base monthly cash flows and budgets. While it is not always easy for a start-up company to accurately project sales you should use your market research to give as clear a picture as possible. Realistic sales forecasting is one of the most critical factors in the success or failure of your venture. Make sure you give sufficient time to this.

5. Research and Development

This section to be completed if relevant to your business

Technology Roadmap:

Show the intended future development of your product or service i.e. changes to meet future market demands, adaptations to international markets or upgrades. Also detail plans for new products or services to add to the range. Include:

- Team / Department structure
- Methodology
- Platforms used
- Milestones to be achieved
- System overview diagram

Research & Development

Indicate whether you will have ongoing R&D as an activity of the company, what areas this will be exploring and what future contributions to the company you expect from this research.

Technical Partners: List all partners and indicate nature of involvement.

IP, Patents, Copyrights, Brands

Indicate any protection available for your product or service, whether the technology can be or has been patented, whether you can avail of copyright or trademark registration and the brand image you intend to build up as a protection against competition.

6. Staffing & Operations

This is where you will outline the intended structure of the company in terms of management, number of employees, and the physical operational requirements to produce or supply the product or service.

Management (Including Board) Organisation:

Indicate how management of the new venture will be organized (may use organizational chart). This should show the areas of responsibility of each manager / employee and the employees to be taken on over the next 2 years.

Staffing

State what employees will be taken on over the next 2 years, with which skills, in which areas of the business?

Training Plans

Outline the planned employee and management development to be undertaken in order to maintain a skilled workforce. This should also tie in with the future market developments and any new product or service developments.

Operations:

Outline briefly the manufacturing / production process to be used. State the physical requirements of the business in terms of the following:

- Premises & Equipment
- Production facilities
- Infrastructure
- Costs involved
- Principal Suppliers, terms of trade etc

In the operation budget you need to forecast:

- *Turnover.*
- *Gross Profit*
- *Business Expenses*
- *Net Profit.*

7. Financial Projections

The accompanying LEO Financial Forecasting Worksheets Template may be used to help you complete this section.

This section of the business plan will provide the reader with the following information:

- *Key Assumptions*
- *The total funding required to start / grow the business and the expected sources.*
- *2 year Monthly Annual Cash flow forecasts for the business.*
- *2 year projected Profit and Loss account for the business.*
- *Projected Balance Sheets*

Requirements for Preparation of Projections

1. Opening figures included based on latest Mgmt/Audited accounts if applicable
2. Shareholders Fund analysed into Share Capital, Share Premium and Retained Profits if applicable
3. Sales Assumptions provided by unit, price segment & geography and reconciled to pipeline
4. Expenditure categorised into R&D, Admin and Overheads and Promoters / key managers salaries
5. Breakeven analysis may be required, detailing strategies to be implemented if sales or expenditure targets are not met.

Key Assumptions

This section reviews the key assumptions used in the financial projections. It is a guide to explain how key figures in the financial projections were arrived at. Included here should be items such as:

- Income sources
- Number of employees projected for each year and their intended salaries
- Projected investment in equipment and materials
- Projected R&D costs
- Depreciation allowed for
- Expected rent and rates charges
- Creditor days expected and debtor days allowed
- Expense calculations
- Stock Turnover

This section should be brief and to the point. Further detail regarding these items can be placed in the Appendices.

Projected Profit & Loss Accounts

Attach here projected profit and loss accounts for the first 2 years of the company's operations as per Financial Forecasting Templates.

Projected Balance Sheets

Attach here projected Balance Sheets for the first 2 years of the company's operations as per Financial Forecasting Templates.

Projected Cash flow Forecast

Attach here projected monthly Cash flow forecasts for the first 2 years of the company's operations as per Financial Forecasting Templates.

8. Sales Pipeline

Provide the following information in regards to your sales forecasts:

Name of Customer	Size of Deal	Date PO expected	Probability % of Getting Sale

9. Funding Requirements

State here the total funding requirements of the business, and how those will be provided. You will also need to state the approximate breakdown of how these funds are to be spent.

Sources:

- Promoters' funds
- Bank lending
- Grants or loans from agencies
- Investment already received
- Investment sought

Required for:

Fixed Assets e.g.

- Equipment / Plant
- Premises

Working Capital e.g.

- R&D
- Marketing
- Staffing
- Debtors
- Stock

10. Appendices

This section is used to provide the detailed data on which the main text of the business plan is based, and to provide extra information of interest to the readers of the business plan. Items for inclusion in appendices vary from business to business, but normally include some of the following:

- Promoters' CVs
- Detailed financial assumptions
- Most recent Company Audited Accounts
- Share Cap table and Investment history
- Term Sheet from Potential Investors
- Detailed market research findings
- Promotional literature
- Product or service information
- Details of company website
- Testimonials or letters of intent from customers