**Business Proposal Template**

# Front page

Make it clear that this is a business plan. If convenient, place the business name, logo and names of authors on the front page.

## (Insert the name of your new business)

# Contents

Make it easy for the reader to work his or her way through the plan and look up particular items.

## Contents

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* Product/service
* Market
* Sales and marketing plan
* Management and organisation
* Business development
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# Background information

The reader is curious to know who you are. As he reads the plan, he will bear in mind the first impression left by the background information which you provide.

Name/s of owner/s

Address

Telephone

Email

Date of birth

Education

Recent job functions

# Summary

The summary should briefly describe the business and highlight its purpose. It must contain the most important information from the business plan.

Place the summary at the start of the business plan, but write the summary last!

Main items:

- Who am I/who are we?

- What does the business produce?

- What customers and how many?

- First-year revenue?

- First-year profit?

- Need for funding?

# Personal resources and goals

What resources can you offer the business? How will you enrich the business with dynamism and force?

Below are some useful points for including in your self-evaluation:

#### Your family network

Finances:

Know-how about the product/ services:

My weak points in relation to the business:

My work functions in the business:

Future prospects as regards business size:

# Product/service

The lifeblood of your business is your service or product. Therefore, it is extremely important that you analyse the service/product from different angles.

The business offers the following products/lines/services:

1:

2:

3:

Differences in products/lines/services compared to those of your competitors:

1:

2:

3:

Purchase frequency/product life span:

1:

2:

3:

Calculation of product/service

Selling price exclusive of tax

- My cost price

- Transport/customs duties etc.

= Contribution margin

Product price:

My price

Market price

Name(s) of supplier(s):

Distribution of the product:

Competitors in this trade – names and numbers:

Potential for developing service/product:

Name of possible trade association:

Ultra short description of your business and its products (elevator pitch):

# Market

When you have decided what product/service you want to sell, you have to identify potential customers. You must do this before embarking on any marketing initiatives.

Consider the description of the market as the submerged part of an iceberg, while your marketing, i.e. brochures, visiting cards, advertisements etc., constitutes the tiny part of the iceberg which is actually visible. All successful marketing rests on thorough knowledge about the market/customers.

Typical private customer:

Man/woman:

Age:

Education:

Occupation:

Lifestyle:

Typical business customer:

Line of business:

Size/staff:

Age:

Number:

Geographical limits:

In your own country

Foreign countries:

Realistic number of customers:

Arguments:

Average consumption in cash per customer:

Important competitors:

1:

2:

Important competitive parameters in the market:

1:

2:

3:

Assessment of the market opportunities for your business:

Threats that may destroy these opportunities:

# Sales and marketing plan

Hopefully, you have been very specific in your description of the market. This will greatly facilitate your sales and marketing work.

If you know exactly what customers to target, it is much easier to choose the right marketing and sales activities.

Possible sales and marketing activities from start-up:

What is to be done? How? Who? When? Cost?

Direct mail:

Internet:

Customer visit:

Telemarketing:

Advertising:

Publications:

Signposting:

Presentation material:

Trade fair:

Other types of advertising:

Annual marketing costs:

Opening market activity:

Price:

Public relations (PR) in connection with the opening:

“The story” to the journalist:

Relevant media:

Contacts:

Press release:

# Management and organisation

Describe here how your business is going to work. Take into account what it costs to arrange, furnish and run the business.

Name of business/address/phone no./fax/email/web

Legal status of business:

Owners:

Bank:

Accountant:

Business policies:

Price policy:

Discount policy:

Method of payment:

Guarantee service:

Service:

Staff policy:

Procedure for accountancy and administrative routines:

Daily accounting:

Sales tax settling:

Sending out statements of account:

Following up on unpaid accounts:

Payroll:

Quarterly accounts:

Ordering goods:

Writing letters to customers/business associates:

Telephone reception:

Insurance:

(Industrial injury, trade liability, product, moveables, transport of goods, fire, house contents, travel, frozen foods, computers etc.)

Name of insurance company:

Prices:

## Business partners/consultants

# Business development

It is often difficult to think about strategic or long-term planning before you have even started your business. However, it is a strength if, as a business owner, you are able to envisage the outlines of a bigger and more prosperous business than the one you are just starting.

## Business appearance in one and in three years

## How is your product or service in one and in three years?

## Customers in one and in three years

## Financial forecast for year three and year four

## Other business goals

# Budgets

Budgeting means knowing how much you need to sell in order to cover costs, in other words quantifying the plans you have made in the previous paragraphs. The more specific your plans, the easier it is to budget.

Budgets can also help you to make your plans and ideas more concrete, so go back to your plans if the budget shows that they are unrealistic – or vice versa.

Draw up at least the first two budgets as a part of your business plan.

Startup budget

The startup budget will show how much money you need to start your business. What a business needs is quite individual. A business that produces 10-metre-long cement pipes needs a lot of money for machinery, raw materials and premises. On the other hand, an IT consultant solving software problems only needs the knowledge he/she already possesses.

Operating budget

The operating budget shows the expected income and costs of the business after startup. The more realistic your plans, the easier it is to draw up your operating budget.

While working on the operating budget you will often need to go back and revise your plans. You will find that your wishes and expectations are not always in line with reality.

Cash-flow budget

The cash-flow budget shows you – month by month –whether you have enough money in the bank to pay the expenses you expect to incur. In business terminology, you call this the cash flow.

It is easy to make the first two budgets if you have made a plan for your business. Doing a cash-flow budget is far harder, and it will take an accountant to draw up this budget.

Luckily, this is the last budget you have to draw up. Devote your time to the first two budgets, and then see if you have time to do the cash-flow budget.

# Startup budget

Below you find a list of some of the expenses usually associated with starting up a business. Simply delete any expenses which are not relevant to your new business.

Remember: The lower your expenditure, the better. All expenses have to be paid out of the income generated by your new business.

Premises

Rent

Deposit for purchase of premises or business

Deposit (e.g. 3 months’ rent)

Goodwill - payment to the former owner for his work at the premises

Furnishing and renovation

Production equipment

Machinery

Tools

Other items

Shop fittings

Cash register

Counter

Other items

Office fittings

Furniture (desk, swivel chair, shelving etc.)

Computers (printer, network)

Telephones

Fax machine

Photocopier

Other items

Purchases prior to startup

Raw materials/semi-manufactured goods

Manufactured goods (stocks)

Stationery

Other items:

Car

Deposit

Other acquisition costs

Counsellors

Lawyer

Accountant

Other

Marketing

Writing paper, business cards

Brochures

Advertising

Signposting

Opening reception

Other items

Other expenses

Application for a patent/registration

Other items

Total cost is:

# Operating budget

Below you find a list of various types of expenses. They may not all be relevant to your business. Simply delete any irrelevant items and insert any additional items which may be relevant. The budget should reflect your business operations.

Sales / revenue

Sales of product / service no. 1

Sales of product / service no. 2

Sales of product /service no. … Estimate sales for each main product /service

Variable costs

Materials - raw materials and finished products for use in production or sales

Salary - production workers only

Transport costs - and costs related to transporting raw materials and finished products

Fixed costs

Wages - for shop and office staff

Rent - for premises

Electricity, heating, water

Building renovation and maintenance

Cleaning

Car service/mileage allowance

Travelling expenses

Landline telephone

Postage and charges

Mobile phone

Internet connection

Website subscription/hosting and upgrading

Marketing/advertising

Meeting expenses

Insurance

IT equipment

Computer network

Leasing expenses

Minor purchases

Maintenance

Accountant

Lawyer

Other consultancy services

Unexpected costs (5% of costs)

Interest

Interest on bank loan

Interest on overdraft facility

Other interest expenses

Impairment/depreciation

Plant/buildings

Machinery

Other itemsFinancing

Financing means finding out where to find/borrow the money I need for my business.

First you have to find out how much money you need.

Necessary initial capital:

(Look at the startup budget)

Necessary cash:

(Your cash requirements are based on the cash-flow budget)

Total funding needs:

(Startup + cash)

Loan/financing expected to be arranged in the form of:

Owner

Family

Bank loan

Overdraft facility

Total funding

Loan guarantee

Name, address

Investment funding (buildings/machinery)

Savings/capital

Bank loans

Credit institution loans

Private loans

Other loans

Investors

Grant

Other

Total

# Appendices

Enclose appendices important and relevant to your business, e.g. technical specifications or drafts, written order commitments, references, collaboration etc.