# **Guidance notes for completing the Youth Enterprise Business plan**

If you require this form in an alternative format or have any problems in completing the form, please call the Youth Enterprise office on 01482 839479.

Description of business

**Question 1**

Explain in your own words what you are going to do.

**Question 2**

Describe your business premises, providing details about the size and type of space you will need. Say whether you will be able to work from home or whether you will need separate premises. Things to bear in mind are:

1. Planning / Building Regulations
2. Leasing (length, cost, need for break clauses and notice of termination)
3. Rental (renewal and review)
4. Fixtures and fittings
5. Types of licences required
6. Environmental / Hygiene Regulations
7. Cost
8. Access
9. Security

##### Owner(s) Personal Details

**Question 3**

Explain in your own words why you think that you (and all your business partners) have the experience, ability and commitment to make a success of your business idea. Remember to emphasise practical experiences. Attached a C.V. for each person involved in the business idea or, if you prefer, give details covering:

1. Education and qualifications
2. Any previous work experience
3. Training
4. Hobbies and interests
5. Any other relevant information
6. Add extra sheets if you need to.

**Question 4**

Include any business training such as:

1. Book-keeping, Marketing, Sales
2. Any relevant specific skills training
3. Attach copies of certificates

Have you found or been told about any other training which would help your business such as:

1. Professional
2. Technical
3. Business Training

It is strongly recommended that you take advantage of the many free or low cost courses that are available through your local Enterprise Agency, Business Link or Job Centre plus Training Provider.

## Your Market

## Question 5

## Explain how you researched your market and what the results were. Please attach details of research. This may either be:

1. Desk research, such as looking at statistics, surveys, directories and other sources of information, or
2. Field research, such as researching potential customers using questionnaires and interviews and observing competitor activity.

**Question 6**

Describe exactly who you think will want to buy your goods or services. If appropriate, mention friends and family. Have they given you any promises or offers of work or custom? If so, give details of those who have agreed.

**Question 7**

Provide evidence of competitors and describe their strengths and weaknesses.

**Question 8**

Describe your marketing plan. This should cover:

(i) How and where will you sell your products /services? Methods might include:

1. Retail shop
2. Market stall
3. Cold calling
4. Tele-sales
5. Mobile
6. Sale or return
7. Internet / E-mail

(ii) How will customers know about your business? Methods might include:

1. Advertising
2. Posters/Leaflets
3. Shop windows
4. Word of mouth
5. Mail shots
6. Editorials
7. Sign writing on vehicles.

(iii) List the costs of advertising your products / services.

1. Posters/Leaflets
2. Mail Shots
3. Telephone calls

**Question 9**

How will you beat your competitors?

Give details of any special features or services you intend to provide. Describe the unique selling point that will mean people will buy from you rather than your competitors.

Pricing Policy

**Question 10**

Describe your pricing policy explaining how you decided what to charge per hour, per job or for items sold.

Set out what you have built into your calculations. Don’t forget to include all overheads and, most importantly, profit. Overheads include costs such as:

1. Stock or materials
2. Heat / light / rent
3. Labour
4. Administration

### Remember to cover unproductive time, such as

1. Travelling
2. Administration
3. Getting quotations

##### Sales Analysis

**Question 11**

Detail how many items / services / jobs you intend to sell per month, over the next 12 months. Explain how you will meet this target. Be realistic and remember to allow for any seasonal variations.

#### You will need to enter the expected income in your cash flow forecast on the last page of your Business plan.

Costs

**Question 12**

Provide a full list of the equipment, materials, supplies and services you will need to buy to run your business. You’ll need this information for your cash flow forecast on the last page of your Business plan where you will find a list of the most common items of expenditure that you need to include.

When thinking about the equipment you need, consider all your options such as:

1. Buying second hand
2. Buying new
3. Leasing or hiring

Pay particular care to your insurance needs and think about:

1. Public liability
2. Product liability
3. Goods in transit
4. Fire and theft
5. Employers’ liability
6. Vehicle
7. Premises
8. Personal

If you plan to work from home, remember to tell your insurance company since this may affect an existing policy.

Bear in mind that the cost of some services (e.g. phone, insurance and council tax) may be spread over the year.

**Question 13**

Provide a full list of all the things you already own and plan to use in your business. The value of these items will be your investment in the business.

Personal Survival Income

**Question 14**

Use the following table to help you answer this question.

|  |  |
| --- | --- |
| Personal expenditure | **Monthly cost £** |
| Mortgage |  |
| Rent |  |
| Council tax |  |
| Water rates |  |
| Gas, electricity and oil |  |
| All personal insurance |  |
| All property insurance |  |
| Food and housekeeping |  |
| Clothing |  |
| Telephone |  |
| Hire charges (e.g. TV) |  |
| Entertainment (Going out) |  |
| Subscriptions (e.g. Clubs) |  |
| Car tax / insurance |  |
| Car service / maintain |  |
| Children’s expenditure |  |
| Presents |  |
| Savings |  |
| Credit card repayments |  |
| Loan repayments |  |
| Other (please detail) |  |
|  |  |
| TOTAL | **£** |

Cash flow forecast

The Cash flow forecast is your expectation of the flow of money into and out of the business on a monthly basis. This brings together the work you have done earlier in identifying anticipated income and costs, including your personal survival budget. It is important that you complete the statement as realistically as possible so:

1. Note seasonal changes in sales and overheads, such as heating and lighting in winter.
2. Ensure earnings you pay yourself cover your survival income needs.
3. Allow for any delay between sales and income. For example sales in January may not be paid for until March.

Remember that cash in hand is better than delayed payment terms, especially when you start trading.

1. Do not over-estimate stock levels.
2. Remember that some costs may be spread over a 12 month period and paid monthly or quarterly.
3. Note that some loan period start dates may vary.

**In some cases banks and other financial institutions may allow you a repayment holiday of several weeks.**

1. Allow for VAT in and out if applicable.

You will have to keep a record of your actual income and expenditure. Comparing this to your plan will give you an idea of how well your business is doing.