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Startups.co.uk is reader supported we may earn a commission from our recommendations, at no extra cost to you and without impacting our editorial impartiality. Planning to start your own business? The first thing you'll need is a business plan. This is an essential document that outlines your business goals, strategies and financial projections. It should cover every aspect of your business journey, from ideation and objectives to competitive analysis and marketing strategies. A well-structured business plan is also essential for securing funding, as banks and investors typically require one before considering any investment. In this article, we'll share the most important elements of creating a successful business plan, such as what to include, how long it should be and what you can do next. We've also included a free business plan template to help you get started. [Business Plan Template from Startups.co.uk](#) Click here to download your free Business Plan template PDF you can fill in your own details and those of your business, its target market, your customers, competitors and your vision for growth. **Executive summary**This section is a summary of your entire business plan. Therefore, it's a good idea to write it at the end of your plan, not the beginning. Just as with the overall business plan, the executive summary should be clearly written and persuasive, but also balance sales talk with realism to be convincing. It should also be no more than 1,000 words. **An executive summary should cover the following:**Mission statement: what is your company's purpose?Business idea and opportunity: what unique selling point (USP) does your business offer?Business objectives: what are you aiming to achieve?Target market: who is your ideal customer base?Management team: who are the owners/senior managers?Competition: which businesses are you competing against?Financial summary: can you prove the business will be profitable?Marketing strategy: what is your marketing plan and associated costs?Timeline: how long will it take to launch/grow your business? **Writing a business plan doesn't need to be a difficult process. However, if you want it done properly, it could take around one month to fully refine. Personal summary**Investors want to know who they're investing in, as much as what. This is where you tell people who you are, and why you're starting your business. For this, you'll need to outline your general details first, such as your telephone number, email address, website/portfolio and any professional social media profiles you might have. Personal branding can be a great way to sell your business and develop trust with investors. Make sure to include: The skills/qualifications you haveThe passions in your careerYour area(s) of industry expertiseThe reason(s) you want to run your own businessYour business ideaThis section serves to offer a general outline of what your business idea is, and why it brings something new to the market. Here, you should include your general company details, such as your business name and a one-line summary of your business idea, otherwise known as an elevator pitch. This section should also list a few key objectives to show how you plan to scale over the next 1-3 years. You should also carry out a SWOT analysis as part of your strategic planning to share the strengths, weaknesses, opportunities and threats of your business idea. Think about: Strengths: why is this a good time to enter the sector? Weaknesses: what market challenges could you encounter? Opportunities: what demand is your product/service meeting in the market? Threats: how will the business be financed to maintain liquidity? When developing your business idea, you should also think about your unique selling point (USP), as this is what will set you apart from competitors. Once you've determined this, you can focus on what makes your business special, attract the right customers and stand out. Example: if you run a coffee shop business, your USP might be offering organic, locally sourced coffee with a cosy, community-focused vibe that no other cafe in your area offers. Your products and/or services Now you'll need to explain what you're selling to customers and how you will produce your sales offerings. Use this section to explain what you plan to sell and how. Just like your business idea outline, your answers should be concise and declarative. For this, you'll need to answer the following questions: What product(s) or service(s) do you sell? Do you plan to offer a new product(s) or service(s) in the future? How much does your product/service cost to produce/deliver? What is your pricing strategy? What sales channels will you use? Are there any legal or insurance requirements you need to meet? What is the growth potential for your product/service? What are the potential challenges you could face? **Market analysis**This section demonstrates your understanding of the market you're entering and any challenges you'll likely face when trying to establish your company. This section pulls all of your target market and customer research together to indicate to stakeholders that you know about the sector and how to succeed. At this stage, you'll need to determine: Who your typical customer is and where they're based: use Voice of Customer (VoC) insights to describe the average age, location, budget, interests, etc. How many customers your business will reach: outline the size of your market and the market share your business can achieve. Whether you've already sold any products/services: if you have, describe these sales. If not, have people expressed interest in buying from you? What you've learnt about the market from desk-based research: what are the current challenges in your industry? How has it been affected by the economic downturn? What has been the response to artificial intelligence (AI)? What you've learnt about the market from field research: what customer feedback have you gathered from primary research, like questionnaires or focus groups? Before going into this step, you should first have a clear understanding of your target market and their needs. This will help you shape your products, services and marketing to fit what your customers actually want. This way, you can make smarter decisions and avoid mistakes, and you'll be able to offer something that stands out. Example: if you're launching a fitness app, you might find that busy professionals don't have time to go to the gym, and so are looking for quick, effective workouts they can do at home. With this, you could focus on offering short, high-impact sessions tailored to those needs. **Competitor analysis**Here, you'll need to demonstrate how well you know the key players and rivals in your industry. It should clearly show the research you've carried out in a table format. Your competitors will either be direct or indirect. Direct competitors are businesses that offer the same (or similar) products or services to the same target market. They also fulfil the same customer needs and often compete on factors like price, quality and brand reputation. On the other hand, indirect competitors offer different products and services that act as substitutes or alternatives. While they may not offer the same thing, they still cater to the same customer needs or solve a similar problem in a different way. Start by listing the key information about your competitors, including: Name Location Business size Product/services Sales channels Pricing Strengths and weaknesses Note: Don't worry about sounding too critical or positive. Try to prioritise accuracy over anything else. Once you've shared who your rivals are in the market, provide details on how you plan to stand out from them through your marketing plan. This should outline your business USP, your promotional strategy and any associated advertising costs. Check out our list of the top competitor analysis templates to download free resources for your business, plus advice on what to include and how to get started. **Cash forecast**This is where you'll need to outline your financial outlook, including how much you expect to spend and make in your first year. All of your considered costs can be put into an easy-to-read document called a cash flow forecast. This should contain: Incoming costs, such as sales revenue, customer account fees or funding. Outgoing costs, such as staff salaries or Cost of Goods Sold (COGS) (e.g. raw materials, shipping and handling, manufacturing, etc.). If you've already started trading, include any previous years' accounts (up to three years), as well as any outstanding loans or assets. What are annual cash forecasts? An annual cash forecast is a financial projection that estimates your business cash inflows and outflows over a year. By preparing 12 monthly forecasts, you can create an annual cash forecast to work out when your company will become profitable. This process is known as a break-even analysis, which you'll need to do when your total incoming costs = total outgoing costs. In your annual cost budget, make sure to include the months opening/closing balance. This is important to monitor for accounting, particularly for year-end. Opening balance = the amount of cash at the beginning of the month. Closing balance = the amount of cash at the end of the month. The opening balance of any month will always be the same as the closing balance of the previous month. If you are repeatedly opening months with a negative closing balance, you might need to adjust your spending. **Operations and logistics**Explain how your day-to-day business activities will be run, including key business partnerships around production and delivery. This section should cover these three areas: 1. Production List all the behind-the-scenes information about how your business will operate, including: Management team: who do you plan to hire as senior staff and why? Premises: where will you be based? What will be the cost? Materials: what materials/equipment will you need to offer your product/service? Staffing: how many employees will you recruit? How much will they cost? Insurance: what insurance do you need for production? 2. Delivery Outline how your customers will receive your product or service, including: Distribution: how will you sell your product(s)/service(s) to customers? Transport: how will you transport the product(s) to customers or partners? Insurance: what insurance do you need for delivery? 3. Supplier analysis Lastly, you should carry out a supplier analysis, which involves evaluating potential suppliers based on factors like cost, quality, reliability and delivery times. This helps ensure you choose the best suppliers to meet your business needs efficiently and cost-effectively. Backup plan Demonstrate how you'll manage any surprise losses if your cash forecast doesn't go to plan. In the event that your business doesn't go to plan, there will be costs to sustain. Therefore, a backup plan is crucial to explain to investors how you will pay back any outstanding loans or debt. To manage this effectively, it's important to consider both short-term and long-term strategies. In the short term, if your cash flow temporarily stalls, what steps could you take to quickly raise money or make savings? For example, reducing non-essential expenses, speeding up collections from customers or looking into short-term financing options like a business line of credit. In the long term, if you've noticed a drop in sales that seems to be persisting, think about what changes you can make to improve your cash flow in the long term. For example, you could add more products/services, try out different marketing strategies or adjust your pricing to increase sales and profits. To placate investors even further, it's a good idea to include details about potential support channels you can utilise (e.g. a business network or contact) who might be able to help if you get caught in a sticky cash flow situation. Running a business can get lonely. That's why networking is so important because it connects you with entrepreneurs, mentors and potential business partners who can offer support, advice and even business opportunities. Check out our guide to networking for practical advice on the best skills you can use to make the best connections. We recommend keeping your business plan to around 25 pages. That should give you enough space to include all the key information without going overboard on the details. Of course, you're free to make it longer or shorter, but it's always a good idea to keep things concise. Your executive summary, for example, should be no more than 1,000 words. You should also focus on making your writing clear and straightforward, and use bullet points or visuals to present facts and figures. If you can cover all of the above in 25 pages, you've likely hit the right balance. **Tips for writing a business plan**1. Keep your predictions realistic: your business plan should show a deep understanding of the industry and what's achievable. Also, don't try to impress investors with inflated numbers of buzzwords focus on what's practical and realistic. 2. Don't go overboard: business plans should be clear and to the point. That means sticking to key information and avoiding lengthy or overly detailed sentences. 3. End with supporting documents: use your appendix to include product diagrams, detailed research or any data that strengthens your business case. Only include what's necessary for clarity or backing up your claims. 4. Get a second opinion: a second pair of eyes can help catch any mistakes or errors that you might miss. Ask a trusted business contact or associate to review your plan before you send it out to potential investors or business partners. 5. Allow time for writing: while it's exciting to think about getting your business up and running, writing a detailed plan takes time. Don't rush it; spend at least a month creating a well-thought-out plan with all the important details laid out clearly. 6. Show the team behind the business: investors like to know who is behind the idea. Highlight the strengths and expertise of your team members and how they contribute to the success of the business. 7. Provide a realistic financial plan: make sure your financial projections are realistic and based on research. Include profit and loss statements, cash flow projections and break-even analysis to show you've thought through the numbers. 8. Keep it flexible: while your business plan is an important roadmap, remember to stay flexible. Markets change, so the ability to adapt will make your business stronger in the long run. When defining your business goals, make sure you're using the SMART method: Specific, Measurable, Achievable, Relevant and Time-bound. Clear, well-defined goals will help you stay focused and make it easier to track your progress. Break them down into smaller, actionable steps to stay on course and maintain motivation. What comes next? Once you've developed your business plan, here are the next steps you should think about: Securing funding: obtaining business finance to launch your company is essential whether it's through loans, investors, business grants or personal savings. Your business plan is crucial in this step, as investors or lenders will want to see how you plan to use the money and how you'll generate returns. Registering your business: make sure that your business is legally registered, whether as a sole trader, partnership, limited company (LLC) or corporation. You'll also need to obtain any necessary licenses or permits, depending on your location or industry. Setting up business operations: this includes setting up accounting systems, choosing your location (if applicable), building an online presence (business website and social media) and making sure you have the right tools, technology and resources to run things smoothly. Building a brand: develop a strong brand identity, including your business name, logo and messaging. This will help establish recognition and trust with your customers. Marketing your business: use the marketing strategies you outlined in your business plan, such as digital marketing, networking and traditional marketing, to attract customers. From plan to profit Designing a business plan is essential for laying a solid foundation for your business, so you should dedicate at least a month to creating it. Once your plan is ready, you'll be ready to move on to other crucial aspects of setting up your business, like registering your company or getting your marketing up and running. And don't forget you can download our free business plan template to help guide you through the process and make it easier to get started. 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