
Creating business plans to get excited about

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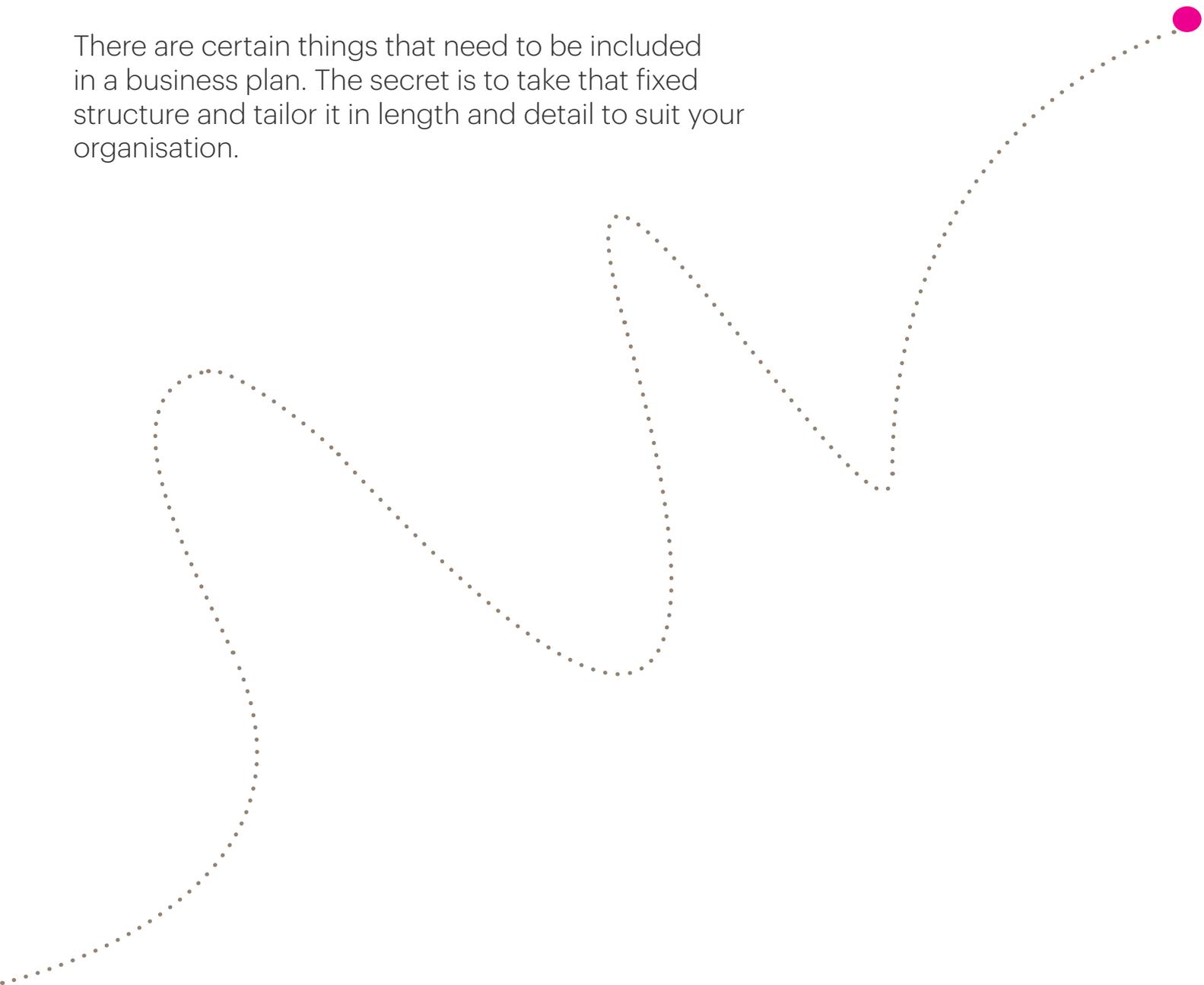
Business plans to get excited about creating, refreshing or reinventing your plan

You may already have a business plan that feels old and out of date. Or maybe you're starting from scratch and want to create a business plan worth sharing.

Whatever stage you're at, this guide aims to help you overcome your nerves about business planning and create a document that works for you. That might be a one-page plan or a novel.

What will make it exciting? In a word: clarity. The most exciting business plans are short and sweet and create colour for the reader. They tell a story of where you want to go and how you're going to get there.

There are certain things that need to be included in a business plan. The secret is to take that fixed structure and tailor it in length and detail to suit your organisation.



Why have a business plan?

4 top reasons

- It gives you something to aim for and a chance to look at your organisation objectively, on your own or as a team. It's something you can share with colleagues and partners to focus their minds.
- It provides a map — it's a plan of how you're going to get to somewhere and the kind of journey you're going to take.
- It's a way to attract people. You can use it as part of your recruitment process to attract talent or share it with partners or funders to get them excited about your work.
- Business plans are a really useful thing to look back at so you can see how far you've come.

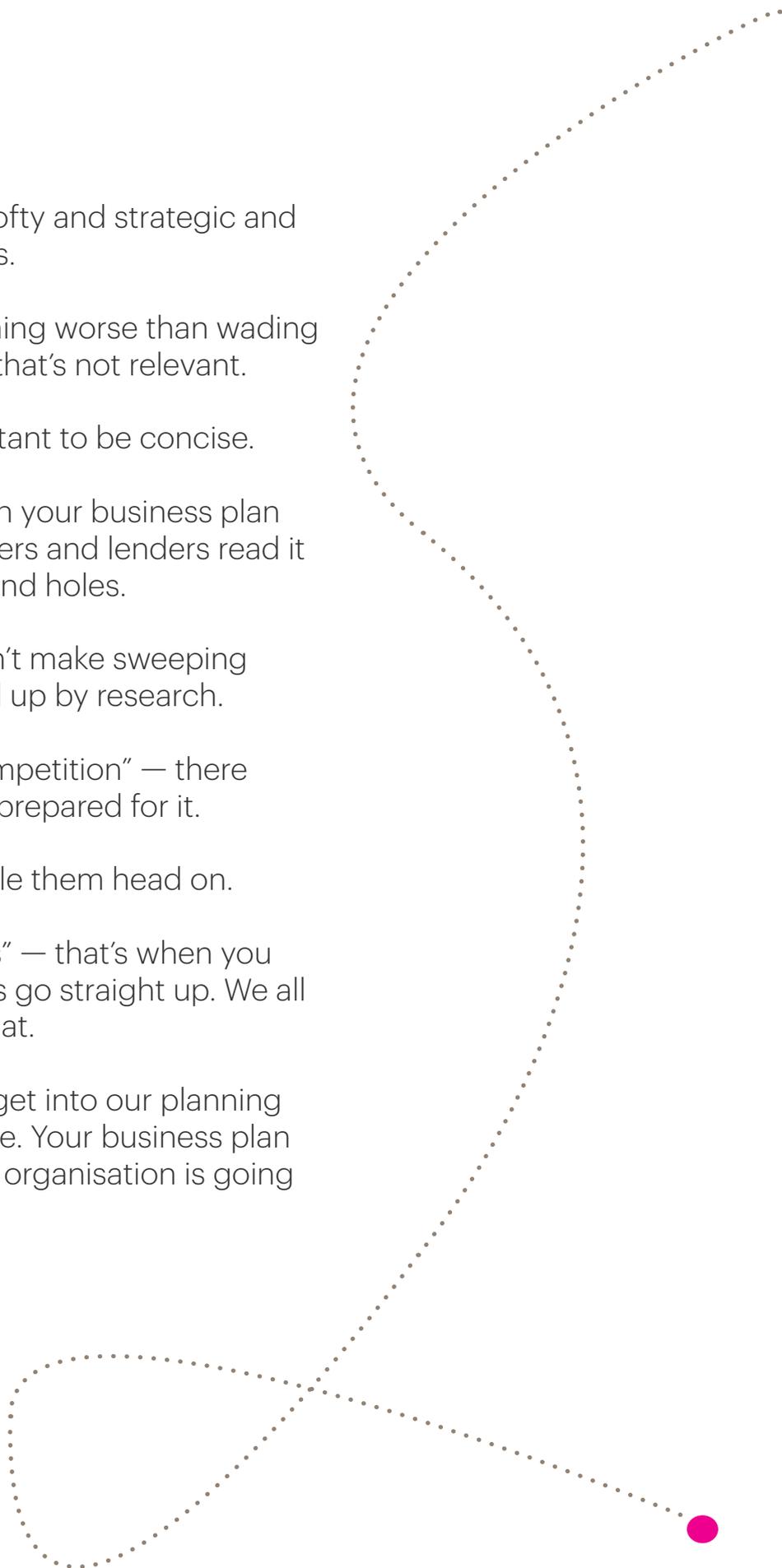


What not to do when writing a business plan

9 things to avoid

Don't:

- Be too vague — avoid being lofty and strategic and overfilling your plan with ideas.
- Be too detailed — there's nothing worse than wading through a pile of information that's not relevant.
- Be sloppy in style — it's important to be concise.
- Be over-hyped — everything in your business plan should be defensible; if funders and lenders read it they will be looking for gaps and holes.
- Make unrealistic claims — don't make sweeping statements that aren't backed up by research.
- Say there's "no risk" or "no competition" — there always is and you need to be prepared for it.
- Hide your weaknesses — tackle them head on.
- Make "Hockey Stick Forecasts" — that's when you start your business and profits go straight up. We all know it doesn't happen like that.
- Write it as a plan — when we get into our planning heads it's easy to tell the future. Your business plan is an assessment of how your organisation is going to grow through the future.



Who are you writing your business plan for?

Defining audience and requirements

It's important to begin by asking who you are writing your business plan for. When you define your audience you start to define what you need in your business plan. Depending on who your audience is, you may not need a full business plan. Identifying your audience early on can really help streamline the document.

The range of people you're writing your business plan for can be quite broad. It might include:

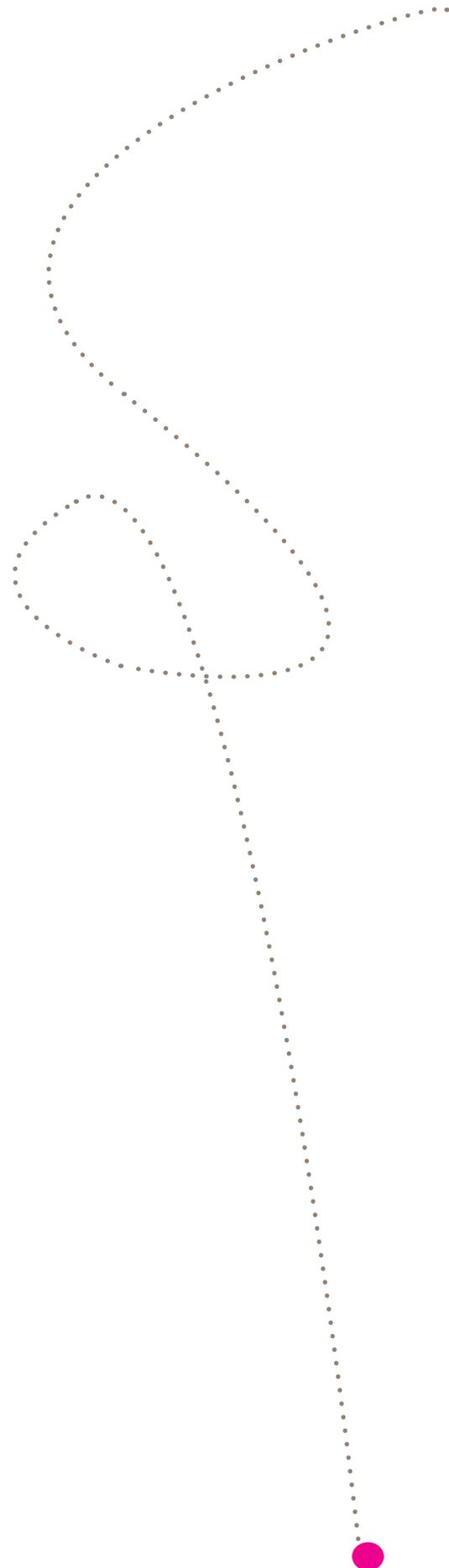
- Your board
- A bank
- An investor or funder
- Staff
- Partners
- Customers, particularly if you're working B2B

Or it might just be for you.

Whoever your audience is, never hold things back from your business plan for fear of what people might do with the information. Otherwise your business plan will only ever be half of the story.

Top tip:

Have an executive summary and, if you're worried about sharing more, have a non-disclosure agreement and ask people to sign it before they read the rest of your business plan.



What should the plan look like?

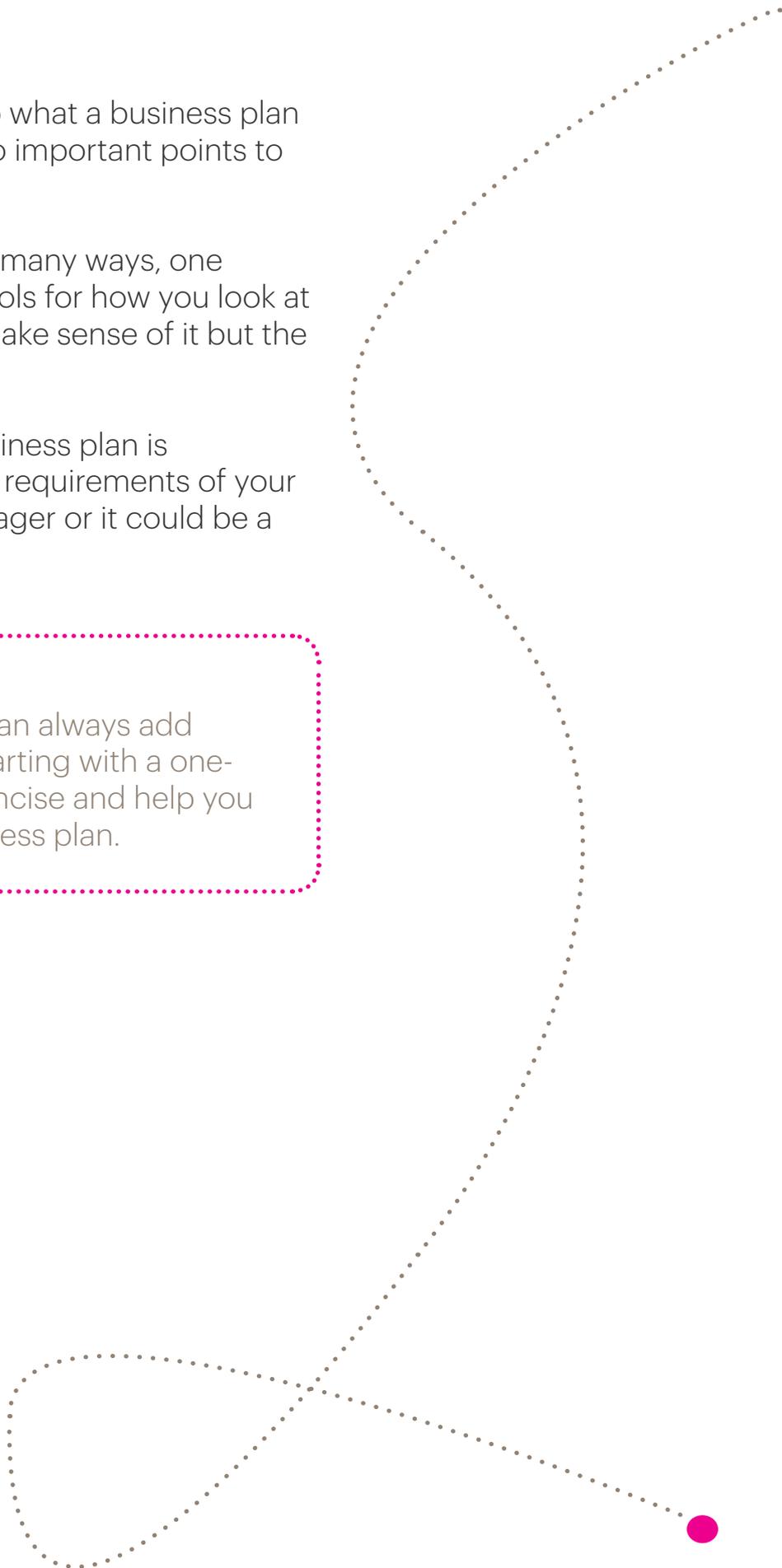
It's a recipe

There's not a definitive answer to what a business plan should look like but there are two important points to make.

- A business plan is a recipe. In many ways, one structure fits all. It's a set of tools for how you look at your business and how you make sense of it but the ingredients can vary.
- The amount of pages in a business plan is completely up to you and the requirements of your audience. It could be a one-pager or it could be a full plan.

Top tip:

Start with a one-pager. You can always add detail to create a full plan. Starting with a one-pager will force you to be concise and help you create a more effective business plan.



What goes into a business plan?

The recipe and ingredients

	THE RECIPE	THE INGREDIENTS
Proposition	What	Company, products, services
	How	Solving a problem
	Why	Competition, features, benefits
	Who	Customers
4 Ms	Marketing	Channels and activities
	Milestones	Looking back and going forward
	Management	People sell ideas
	Maths	Profit & Loss, Cashflow, Balance Sheet



Getting ready to start “Business Planning”

You’re not Shakespeare

Often people get into this business planning head of lofty strategic thinking. They open the document, write Business Plan, get stuck on the executive summary and never get anywhere.

Remember, you’re not Shakespeare. Forget about writing your business plan line by line.

Top tips:

Start with a free flow task — I get a bit of paper, do lots of exercises and brainstorm because it allows me to think.

Do an **honest** SWOT analysis (see below) — it gives you the chance to look at the full story you’re telling in your business plan on one page.

Strengths:

What you’re doing well

Weaknesses:

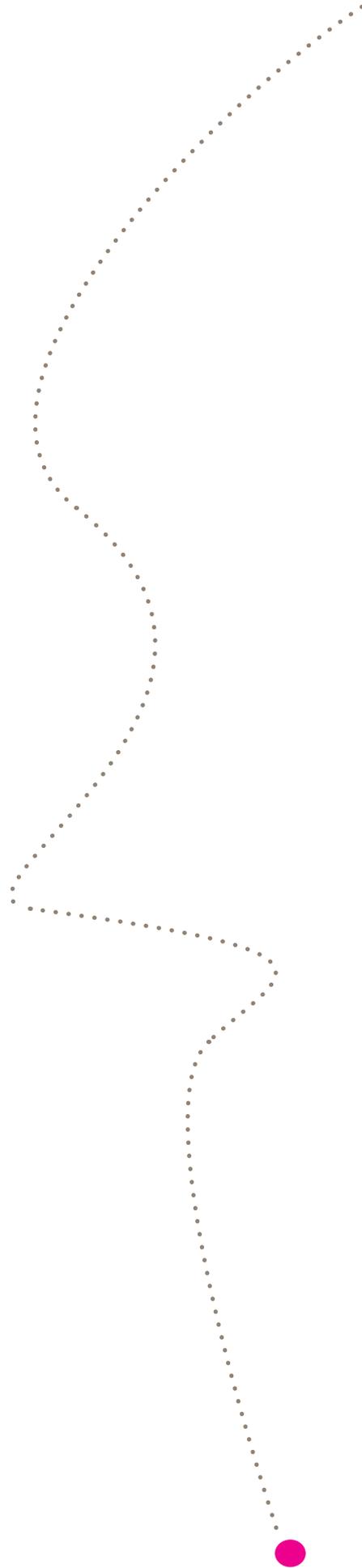
Where you’ve got gaps and problems

Opportunities:

Inside your organisation or externally

Threats:

Things that are happening that might have a limitation on what you can do.



What

Section #1

The 'What' is your opening statement. The table below shows what you might include for a one-pager or full plan.

One-pager	Full plan
Mission Statement 'Value Proposition'	Company Overview: Short mission statement 3 - 4 Priorities or SMART Objectives Company structure (ownership) Brief history Location/Type of Location

I've highlighted 'short' and 'brief' because this is the section that most organisations know most about. It's easy to get carried away.

Top tip:

Focus on value to the reader. Only include the context that is of value to the audience that you want to read it. Don't add anything in just for the sake of it. The history might be important to you but does it really add value to the reader?

'What' Exercise

Writing a value proposition

Management consultant and author Geoff Moore suggests the following structure for creating a Value Proposition Statement.

- **For** _____ (target customer)
- **who** _____ (statement of the need or opportunity)
- **our** (product/service name) is _____ (product category)
- **that** (statement of benefit) _____

Example:

For non-traditional theatre audiences

who find the thought of watching live theatre boring

our touring tent is an outdoor, pop-up event

that lets them experience theatre in an informal social setting

How

Section #2

The 'How' is the most critical part of the business plan. It looks at the problem you are addressing and the solution you are offering.

One-pager	Full plan
Problem Solution	Products & services: Context/Problem Detailed outline of the solution *Case Scenarios

The full plan will go into further detail about the solution and test assumptions. You may find it useful to include case scenarios — they don't need to be full case studies — to illustrate your ideas and make them more compelling.

Example:

If we take the example from the previous page. The problem might be people disengaged with theatre and the solution might be a new kind of theatre experience.

Top tip:

Talk in a language that the reader understands. Go back to the audience you defined in the early stages. Will that audience understand jargon? If not then you need to avoid it.

Why

Section #3

In essence, 'Why' is around market demand and competition. What is it about the features and benefits of your product or your services that will make a difference?

One-pager	Full plan
<p>Competition and Differentiation (choose 2 or 3 competitors and put their names down and a couple of point around what makes you different)</p>	<p>Competition:</p> <ul style="list-style-type: none">Define the contextProfile specific competitorsFocus on features/benefitsIf technology, IP or suppliers etc. that give you an edge

The full plan will provide more context about the market and specific competitors. This is also the place to add details of any technology or suppliers that give you a competitive edge. Include how you would mitigate any risks in those areas to ensure you don't lose your edge.

Top tips:

Look at realistic competition. If you're a local gallery outside of London then The Tate is probably not your most likely competitor.

Look at direct and indirect competition. If you weren't there what else would your audience be doing with their time?

'Why' Exercise

The Competition Matrix

The competition matrix allows you to see where there are gaps in the market and how you are different from the competition. It's not about showing that you are the best. It's about identifying your unique position.

- List 3 - 5 competitors and 3 - 5 key features of your product or services.

Competition Matrix			
	Feature 1:	Feature 2:	Feature 3:
Competitor 1:	✓		
Competitor 2:		✓	✓
Competitor 3:		✓	✓

Top tip:

Limit yourself to 3 - 5 competitors and 3 key features of your product or services. That will allow you to quickly identify where the gaps are and how you stand out.

Who

Section #4

'Who' is about the audience you're trying to reach. 'Everyone' is not a target market; if your product has a wide appeal, quantify who everybody is.

One-pager	Full plan
Target Market	Target Market: Define the market Segment who you will focus on Trends in the segment Ideal customers

In the full plan you would expect to see a definition of the market. You would then create segments within that market. Nobody ever launches a product and aims for it to appeal to everybody; it always has to be segmented and focused.

On the one-pager you might have one or a few target markets or segments. Just summarise them and that will be enough to keep you on track.

In the full plan, you may also want to look at trends in your market segments. What's happening with that market and how will you address it?

Example:

Going back to that non-theatre audience, you might talk about why they are the market. You might choose men in a family environment. You might choose people by a certain age range or a geography in the city. There are a variety of different ways in which you can segment your audience.

'Who' Exercise

Create a target persona

Creating target personas will get you thinking about your different segments' perspectives.

You can:

- **build up a varied picture** — look at their age, family, housing status, employment, shopping preferences, social life, online habits, aspirations, motivations etc.
- **measure perception** — what do they think about your sector? How to they value it? Is it important to them? What are the barriers?

How do you get this kind of information?

- **speak to people** — go out there and speak to your audiences, grab a coffee with them and have a chat.
- **look at existing market research** — search “segmentation” or “research” on [CultureHive](#) or take a look at the Audience Agency's [Audience Finder](#).
- **look at box office data** — if you sell tickets and have box office data then you will be able to find out basic information about where people come from, what they see, how often they attend etc.

Top tips:

Make sure you reference your research to back up any statements you make about an audience or segment.

Remember that less is more, don't try and profile the whole world. Focus on key customer personas (1 - 5 max).

Marketing

Section #5

In essence, 'Marketing' is covering the channels and the activity. It shows how you will raise awareness and how you will reach your customers and enable them to access or buy your product.

One-pager	Full plan
<p>Channels (how to sell)</p> <p>Activities (awareness)</p>	<p>Marketing and Sales:</p> <p>Positioning</p> <p>Pricing</p> <p>Promotion</p> <p>Place (Distribution)</p>

- **Positioning** is about the differentiation we looked at under 'Why' — what makes you different and where you want to be positioned in the market.
- **Pricing** will be about your pricing strategies. How do your prices compare in the market — are they high or low compared to competitors? Do you offer pricing incentives for early booking or to specific markets?
- **Promotion** is about activities and what you will do to raise awareness.
- **Place** is about distribution or the channels you will use to reach your audience and enable them to access or buy your product.

Top tips:

Marketing must relate to the target market, features and benefits that you have defined. Don't just copy and paste what other people do. Tailor your marketing to your target markets and your organisation.

Include details of any partners who are part of your marketing strategy.

Milestones

Section #6

'Milestones' are the headline elements you will reach during the course of your business plan. On my one-pager for my business I have six milestones I want to hit during the year and I know that's what success looks like. Some of them can be quite mundane like breaking even or reaching three organisations in a particular sector. Others will be more exciting.

One-pager	Full plan
Key milestones	Milestones: Reflective (traction) Short, medium and long-term Make them SMART

In the full plan it's easier to spell out your milestones in the short, medium or long-term and to provide more detail.

- **Reflective (traction)** — look back at past achievements to give you traction. If you're writing your business plan, in part, for funders then showing your past success can help build confidence in your future plans.
- **SMART** — your milestones should be specific, measurable, achievable, relevant and time-bound.

Top tips:

Don't focus too much on reflection and traction. Your business plan is looking to the future. Just give a taste of past success to build confidence in your track record.

Management

Section #7

'Management' is about people. Plans don't sell ideas, people do. Organisations often miss the opportunity to shout about people and people might be one of their biggest assets.

One-pager	Full plan
Short biogs/bullet points per person	Management: Who, biogs and achievements Structure/Reporting Recruitment

Things you could include in the full plan, in addition to staff biogs:

- **Staff structure** — your organisational chart.
- **Summary of governance** — what are the reporting procedures within your organisation? What policies do you have in place?
- **Recruitment** — a brief summary about how you go about recruitment and what makes you distinctive. Demonstrate that you have a real plan around managing people within your organisation.
- **Freelancers/Partners** — if freelancers or partners are important to your business then you can add them in here as well.

Top tips:

Don't be ashamed of boasting. Where people have got talent and achievements shout about it.

Maths

Section #8

'Maths' refers to your financial plan. This is where to add your figures but also to tell the financial story.

One-pager	Full plan
<p>Revenue + Expenses = Difference</p> <p>Investment or funding total</p>	<p>Financial Plans:</p> <p>Profit & Loss</p> <p>Balance Sheet</p> <p>Forecast</p> <p>Cashflow</p>

In the one-pager plan, don't skip the money bit. You could do it as a simple graph showing three years. If you require investment, you could just put that as a total to remind you that's what you're looking for.

In the full plan, don't forget you've got an opportunity to tell the narrative. If there are gaps or difficulties this is a chance for you to tackle some of those things and show how you will mitigate risk.

Top tip:

Don't make it a fairytale forecast. Make sure your figures are defensible.

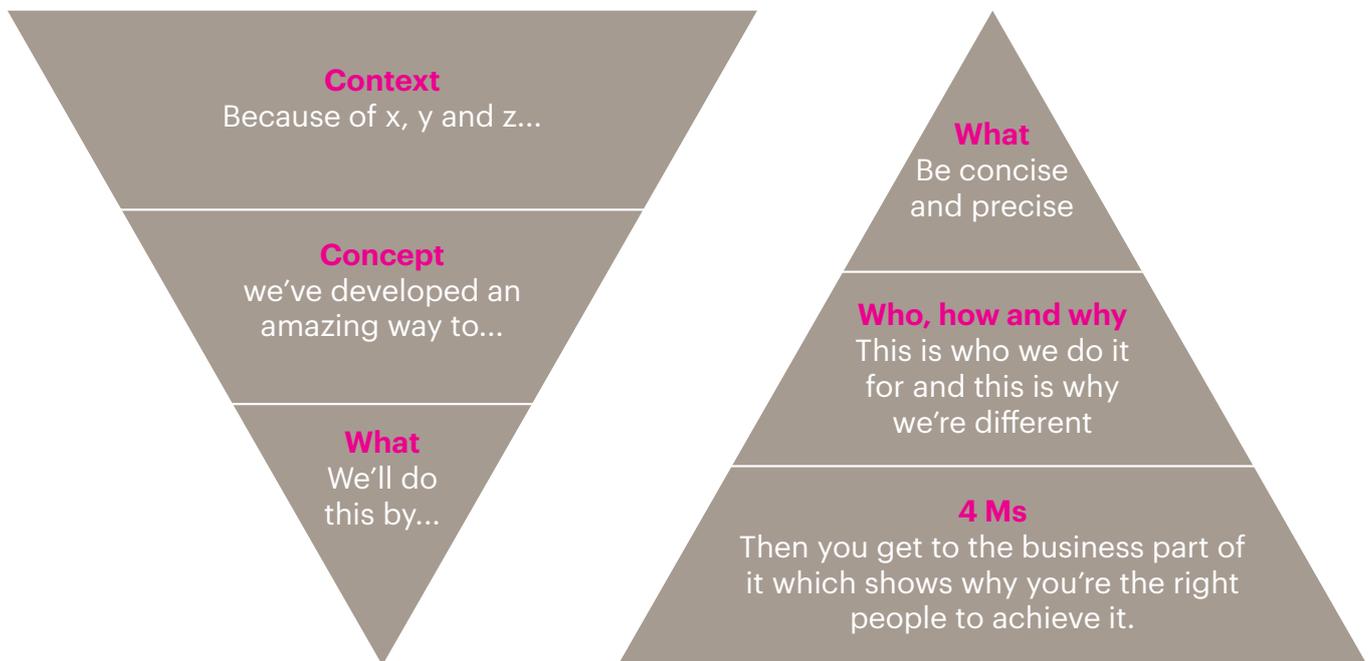
Writing a killer executive summary

Grabbing your reader's attention

If you're writing a full business plan then you need to have an executive summary at the start. That will be 1 - 5 pages that summarise what someone is going to read in the full document.

They should be able to get what they need from the executive summary and then delve into the business plan further if they want to.

When people do this, they tend to do it this way:



But you need to flip the pyramid up the right way to keep people engaged throughout.

Need more help?

Further reading

The important thing to remember is the recipe or structure. I've given you a whirlwind tour of the ingredients. If you need further details on those, the following free resources on CultureHive could help:

Vision and Mission:

[Quick Guide: Vision and Mission](#)

Marketing Strategy:

[Thinking Big by Stephen Cashman](#)

[This Way Up - A guide to arts marketing planning](#)

Segmentation:

[Introducing Culture Segments](#)

Personas:

[Using visitor personas to target audiences more effectively](#)

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