

Business bootcamp #2: master your business plan

Want to start a business? The internet is full of advice for entrepreneurs, whether that's detailing the lifecycle of a startup, how to raise investment, how to manifest success and which 'meal in a can' is best for those on the go. Here is part 2 of 10 in your business's 10-day bootcamp.

Based on our first post in this 10-day bootcamp, you're starting to interpret your *user's needs and understand their behaviours* and your idea is stronger because of it.

Today we're looking at why a comprehensive business plan isn't just gift-wrapping for potential investors, but helps you make sense of the overall state of your business now and for the future.

Branding helps sell an idea but before you try and 'look the business' by jumping into making a slickly designed investment deck, think about your strength of communication and how robust you can make your pitch. Don't be tempted to prettify something if the content's not watertight in the first place.

Setting down all the aspects of your business is useful: you can clarify the gaps in your knowledge; distil ideas outside of your head; get input from others; all the while boosting your confidence. It can be rewarding having all the fruits of your efforts collated in a clear and compelling way. This is, in short, your business plan: important information hygiene that it helps to stay on top of, no

matter the size and maturity of your company.

Senior executive, board advisor and mentor Jeanette Linfoot says in her 'How to Write a Multi Million £ Business Plan' podcast that, 'as a leader, sometimes it can be tempting to hold everything into yourself. And that can be quite dangerous and a very lonely place.'

With a business plan, she says, 'You can actually know where you're heading and you've got a much greater chance of getting there.'

You can use elements of your business plan for internal and external communication, too. This ensures you have consistency of messaging across your touchpoints, with your team and your customers, and - usefully, Jeannette says, 'it gives you a specific plan to measure against.'

What's more, she adds, you'll have the key financial metrics and the measures of success for your business and these can inform your team's objectives, too.

In terms of hiring said high-performing team (and you do want the best to achieve the best outputs), Jeannette says that 'not only are you assessing them but they're assessing you. Having a robust, clear business plan that lays out the future allows you to attract talent that can help drive the business forward.'

Some like to keep their pitches to a one-pager, and that can work. You'd still want to compile an exhaustive plan for your files: 'It's quite useful to have one big document that has everything, and then you can pick out relevant sections that you might want to use for a specific audience.'

Jeannette says you definitely need the numbers in there, alongside clarity on your mission, purpose and vision, though: otherwise 'it's like building a house on sand.'

And - relevant to this section of your plan - the phrase 'value proposition' gets bandied around in business circles. Mark Wilson, Co-Founder and CEO of business innovations consultancy Wilson Fletcher, says shaping your value proposition effectively is equally critical.

'In a few words you need to capture why and how your business can offer clear (and ideally unique) value to customers. Always think in terms of the end customer's benefit, not yours.'

'So 'our space-age lacto-filter technology means that millions of lactose-intolerant people can now drink regular milk, straight from the bottle' is good. 'Our new lacto-filter will drive milk-based revenues into space' is not. Save that for the summary financials.'

Caroline Franczia, founder of Uppercut First and regular Maddyne columnist,

agrees, 'answering a pain your customer may have, in a way no else does, is crucial and making it evolve as your company does is imperative.'

On the subject of change, according to Jeannette, you need to remember that a business plan represents your thinking at a point in time.

'It reflects your position in the market today and in and your future view, but it's not set in stone forever.' As with your value proposition, it will evolve as you grow, learn, pivot, or as the world and its behaviours change around you.

By reviewing it once or twice yearly, you'll be hitting a sweet spot. Jeannette advises against changing it every week - it does need some longevity, she says.

So, you've got your information: how should you compile it? Always with your audience in mind, she says. Whether that's your internal team, your suppliers, potential partners, investors, maybe government and industry officials that are interested in your business.

Alas, it's not a one-and-done, because it's important you're confident in what you're sharing when it comes to potential investors, and they'll each have their own specific interests.

Anthony Rose, co-founder and CEO of SeedLegals admits that honing an investor deck can be a long process. 'Founders tell us they revise theirs on average five times following investor feedback.'

It is important to try to get it right, though, he says. 'A pitch deck is often the first impression you give a potential investor. It's an opportunity to show the value your business will bring to market.'

Components of a business plan:

EXECUTIVE SUMMARY

You may be passionate about every artistically wrought sentence, number (not artistically wrought, we should say) and detail in your pitch deck, but when you're trying to get potential investors' attention, you want to make their comprehension as easy as possible. The same goes for all of your business communications, frankly: outline what you're saying, clearly and succinctly. Expanding on details, where necessary, can come afterwards. You only really need a few bullets outlining what the business is and its mission; key numbers that can impress (be they projections, potential market share, or company growth to-date); and anything else that makes the summary especially impactful. Does it already have backing? Is it endorsed by a notable name?

Jeannette says that 'a good exec summary hits you between the eyes'. You want this to inspire the business equivalent to Jerry Maguire's 'you had me at hello'.

VALUE PROP, MISSION, VISION AND VALUES

This is a chance to detail what the business is really driven by, and what makes it tick.

What pain points are you looking to solve with, to demonstrate, let's say sliced bread? (*It saves time otherwise spent on cutting a loaf, washing up a knife, a chopping board and clearing away crumbs; it prevents the dreaded badly cut wedge; and it stores for longer.*) What's your ultimate goal - what change do you want to see in the world? (*We want to help people save time in the everyday, so they can concentrate on what matters to them.*) What do you want to become? (*Through our commitment to helping our customers make the best sandwiches, we want to become the nation's baker.*) What values will you be defined by along the way? (*We're inclusive: we create our products for everyone, whatever that looks like; we're neighbourly: we'll always listen, try to help out and collaborate; we're nice: the only rise we like to get out of anything is the bread; etc.*)

No, you regret the sliced bread example! Get outta here!

BUSINESS OVERVIEW

Here, you'd include all relevant context about the business. Jeannette explains that this snapshot isn't necessarily exhaustive. It could include the legal structure; the history of the business; the scope of your operation (location; products and services; whether it's a bricks-and-mortar operation, mail-order or internet-based); target customers; and so on.

PRODUCTS AND SERVICES

What are they? Why are they good? 'This is also a great section to include any products' initiatives that you have in the pipeline,' Jeannette says. 'If you've planned to diversify, for example, this is where you would articulate that.' Charging more for unsliced 'artisanal' bread? Ha. This is where that goes.

OPERATIONAL PLAN

What's the structure of the business? What function is responsible for which output? This is only probably necessary for larger startups that have various departments. If it's you and your mate Kees from uni, it's worth leaving this bit out.

SALES & MARKETING

What's your plan to increase awareness and sales? Do you have a tangible strategy you're planning on rolling out, irrespective of future investments? Who are you targeting? What's their value to the business over their lifetime?

Developing these plans really depends on your product or service and its target market. If you're selling FMCGs (fast-moving consumer goods) then it's unlikely you'd implement a cold-calling strategy for your customers (though you might for your vendors).

(It's too broad a subject to adequately attack in this already sprawling guide but, helpfully, Joe Procopio has written about the sales process for Maddyne [here](#), and the kind people at FutureLearn have put together [this article](#) which is a good place to start your marketing ideas flowing.)

MARKET ANALYSIS

For this section, you'll be collating your research of the wider market, which is of especial interest to investors: if you've developed something in a competitive category, they'll want you to fess up and explain why it still has potential for success, for example. Jeannette says this is a 'macro view' of the goings on beyond your company.

'It could include the macroeconomic data; the size of the overall sector that you operate in; the geographical location; forecast; growth projections for the sector overall; etc.'

The relevant information from within your sector is good, but don't overlook behaviours and 'tells' from the world beyond, too, that can support your progress.

Mark Wilson says, 'If Airbnb had only focused on the travel accommodation market, they wouldn't have had the confidence to launch in the first place. 'Like a cheap hotel, only you make your own breakfast'? Hardly an idea to get excited by.

'By being aware of changing global attitudes, behaviours and priorities, they could make a bid to become a category leader. And they did.'

COMPETITOR ANALYSIS

Be wise to the goings-on of your competitors, but be careful that they don't spark an existential crisis in your and your brand. There may be things they do better than you, sure, but you don't want to waste too much energy chasing their successes. Put another way: focus on your strengths, not theirs.

As such, this section can be fairly brief. Jeannette recommends having a simple four box matrix, with two criteria on each axis, so you can plot where you sit versus your competitors. You might want to include details of competitor activity, she adds, whether that's mergers or perhaps businesses that have struggled and failed.

'It could be that you have new entrants coming into the market, or you might have financial visibility of a competitor business, and you can include some of those metrics. You can include in here a [SWOT](#) analysis as well.'

THE LEADERSHIP TEAM

'Who are the key people in your business that are driving the performance?' Jeannette asks. This is where you'd include a simple organisation structure 'so that people can see what the various functions are, where they sit in relation to each other, and who's leading those different functions for your business.'

No matter the size of your business, Jeannette recommends detailing the business's key movers and shakers here with a little bio, their credentials, and with a mugshot.

You might think about adding a 'rising star' section, Jeannette says. 'Who's the talent in your business that is coming up through the ranks?' This can flag your company as having a supportive and collaborative mindset and not only does it say that tomorrow's leaders are taking a chance on the business, but that your business has that future trajectory in its sights.

FINANCIAL PLAN

'This can sometimes be where people get a little bit daunted,' Jeannette says. 'Because it's the numbers.' Before you press the ejector seat button, let's break it down..

'Depending on the size of your business and depending on the growth trajectory, you would include more or less data, but there are some basic financial reports that should be included here.

'So the obvious ones are your profit and loss account, balance sheet, cash flow, and then you might also have other key performance indicators that are very specific and relevant to your business.'

[Investopedia](#) can help get you started with each of these: telling you what information you're looking for, and advising you on how to present it.

That's your 'today' covered. Now we'll look at those wishful tomorrows: Jeannette says this is the part of the plan that would include your funding requirements. What are you hoping for, and what would you spend it on?

'And,' Jeannette adds, 'if you're preparing for a sale, where you may be actually prepared to give away some equity in your business, you might even include a valuation.'

This is also where you show where your numbers are heading based on the information you have. Jeannette says that for a small business a two or three year projection is enough, but for a more established business a five year plan is good.

'It means anyone that's looking to either join the team or to invest in the business, they're able to see how their investment is likely to perform over the forthcoming years.

SUMMARY

Though you'll have tailored your content to its readers, even with a paired back deck there's still a wide range of information you're asking them to process - concepts, ideas, approaches, plans and numbers. Make it easy for them, by providing a clear and concise summary to close.

Avoid clichés and maybe, just maybe, people will think your business is the best thing since sliced bread. (Last one, promise.)

Useful links:

[How to create an unforgettable pitch deck](#) (Maddyness)

[How to write a \(good\) business plan](#) (Maddyness)

[Your value proposition is not a mystery box challenge](#) (Maddyness)

[Write a business plan](#) (GOV.UK)

['How to Write a Multi-Million £ Business Plan'](#) (Spotify)

Next, we're looking at why networking isn't just a nice-to-have and how even the most confident of professionals sometimes get it wrong.

Can't wait to hear from our experts? You can access the bootcamp in full [here](#).

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Read also

[The ten commandments for launching a startup](#)

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