

get it right on... Business Planning

Why develop a business plan?

Business Plans helps you think through all aspects of the work of your organisation and present yourself to staff, funders and supporters. Business Plans may be put together for the whole organisation, or for a particular project or part of your organisation (often called a Project Plan).

Writing a business plan helps you to:

- Formalises ideas.
- Structure your priorities.
- Test your project's viability.
- Demonstrate to funders and partners that you know what you're doing.
- Identify responsibilities.
- Ask the right questions AND provide some of the answers.
- Identify areas where you need to find out more.
- Map to guide your progress and stops you from getting sidetracked.

The organisation's Business Plan is prepared under the direction of the Treasurer with the assistance of the staff. Business plans for particular projects may be prepared by the Project Co-ordinator.

Sections of the Plan

The most common sections found in a business plan are highlighted below as a guide.

Part 1: Business Plan Summary

In no more than one or two pages, you should summarise the main points of the plan and introducing the project in an attractive way. Always write this section last.

Part 2: The history of your organisation

It's important to put the plan into context. Use this section to give details of your legal and charitable status, your aims and objectives, and details of your management structure including a list of staff. Highlight your track record and your achievements to date.

Part 3: Identified need

Every organisation exists to meet a need. You should use this section to highlight the need you are meeting and the key activities which are in demand. Substantiate statements with clear evidence collected from research conducted either by yourself or from other agency reports. Do not just rely on national statistics.

Part 4: Aims and objectives

So, what do you want to happen in the next three years? Use this section to detail the aims, objectives and activity areas you will use to address the needs identified earlier.

Remember: *Aims* are statements detailing the purpose of your organisation or project. They can be seen as the changes you want to make, through your work. Try to concentrate your efforts into no more than 4 or 5 aims. These aims will form the basis of the outcomes you want to achieve through your

work. For example, an aim to help people better understand other cultures, may result in reduced discrimination.

Remember: Objectives are tasks needed to achieve the aims. For each aim there is likely to be several objectives. Objectives will have targets (sometimes called outputs) - realistic numbers that you expect to achieve.

Part 5: Workplans

Workplans detail each of the tasks you plan to undertake - when they will be done, who will do them etc. The plans should then be used by the staff and trustees to monitor your organisation's progress. Each plan should attempt to express in clear terms:

- the outcomes that have to be achieved,
- the steps needed to get there,
- the timescales for these to be done,
- the people who will need to do them, and
- what work will cost.

Part 6: Resources required

From the planning you have already done, you are now in a position to identify the resources you will need to carry out the work. Many of the operating problems organisation face arise from the fact that this stage of business planning is often missed.

The resources you should consider include:

- **Staff**

How many staff hours will this work take?

What types of staff post will you need to deliver this work?

Will staff be full time or part-time?

What skills do they need?

What salary scale will be paid?

What extra costs will each staff member bring - recruitment, training etc.?

- **Workspace and equipment**

Where will you carry out all your activities?

Do you need to buy a building or rent space?

What equipment will you need?

- **Office costs**

Communication costs – telephone, internet, mailing costs,

Overhead costs - heating and lighting

Stationery costs – toner cartridges, paper, envelopes etc

Service delivery costs – travel expenses etc

An effective budget can only be put in place if you have taken the time to identify the actual costs you are likely to incur. Three-year budgets are the norm, predicting all your organisations outgoings and income. Remember to also consider the cash flow of the organisation - when money comes in and out of the organisation to make sure you always have enough cash when you need it.

Part 7: Promotion and Publicity Plan

Your services will only be effective if people are aware of them, so it's important that you identify how you will advertise and promote yourself. How will you minimise the likelihood that no one will be excluded? How will you target people? How will you promote yourself to potential funders?

Part 8: Management

It is always a good idea to draw out your staffing structure. Make sure people are clear what their roles are. Who will have responsibility for what? Who will people report to, and get supervision from?

Part 9: Monitoring and Evaluation

The business plan should also clearly identify how will you measure the success of the organisation or project. This section should clearly show what will be measured, in what way, who will do this and when this will happen. You should also consider how information will be used to improve your services as you go along.

Remember, there are two types of information to collect: statistics about the quantity of work you do (quantitative), and feedback to measure the effectiveness of your work (qualitative)

Key tip:

Business plans should be a joint effort. Consult with staff, management and other interested parties – after all it's only with their help and effort that the plan will be put into practice! And remember that the business or project planning process is cyclical. Every time you find out something new, it will affect what you know already, and you may have to revisit decisions and re-write sections.

The logo for GIRO is displayed in large, white, bold, sans-serif capital letters. It is centered within a light green rounded rectangular background. Above the letters, there is a faint, stylized gear or sunburst icon in a slightly darker shade of green.

West Dunbartonshire CVS produces a range of resources covering different issues of interest to community and voluntary organisations. Please contact the CVS staff directly if you would like one-to-one support or advice on any issue.