

Institute of Certified Bookkeepers

Business Plan Template



2014

Preparing your Business plan

Executive Summary.....	2
The Objective	2
Keys to success.....	3
The Mission	3
Business Summary.....	3
Start up phase	4
Business Location and equipment	4
Services.....	5
Competition Comparison	5
Marketing collateral.....	6
Technology.....	6
Market Analysis	7
Market segments	7
Target market segment strategy	7
Market Needs	8
Market Trends	8
Market Growth	8
Main Competitors	9
Strategy and Implementation	9
Value & competitive edge	10
Marketing Strategy	10
Position Statement	10
Pricing Strategy	10
Promotion Strategy.....	11
Marketing Program	11
Sales Strategy	11
Sales Forecast.....	12
Strategic Alliances	12
Milestones	13
Financial Plan	13
Budget.....	13
Cash Flow	14

Executive Summary

This plan is to assist you as a guide for starting your business along its new path. To be successful in business you must plan for success. Success is the result of planning and you plan to succeed.

As a service based business your time is your most valuable commodity and one which cannot be easily manipulated. Where most service based business fail is that they continue to work IN the business and not ON the business. This plan will assist you in taking those first steps to plan how you run your business and grow it. It will incorporate a marketing and financial plan.

Modify the items below to suit your business. Outline what they are.

The Objective

The objective of this business plan is to develop a frame work and guild to assist in setting up the management tools and requirements to run a successful business.

The scope of this plan is to provide you with a frame work for the first 2 years of your business plan. To assist in how to:-

1. Generate profit

To generate profit through more billable time and better utilising tools and resources available with the aim of a 30% profit after the first year

2. To maintain a life style

- Are you working over 50hrs per week?
- Your objective should be to plan on how to better utilise your time

3. To grow the business

What are your current billable hours per week and at what rate?

- The objective is to increase your billable hrs per week. Or to outsource those hours which you can charge little for and work on billable hours which you can charge a higher rate for
- Maintain excellent customer service
- Increase my client base and have sufficient that there is a strong need for the services of my business which will allow me to expand and grow the business

Keys to success

The keys to success should reflect the strengths of you and your business. Below are some examples:-

- Provide quality service to clients
- Provide a prompt and responsive knowledgeable service
- Generate repeat business
- Market my business by maintaining quality clients who can provide quality referrals.
- Promote my business by networking
- Understand the business problems of my clients and how to solve them or make them less of a problem
- Understand the market place, the needs of my clients
- Utilise the strengths in my knowledge of particular industry segments
- Be responsive to the needs of my clients and develop a strong relationship
- Affiliate with organisations to improve my profile in the industry

The Mission

Provide reliable, accurate and informative assistance to my clients. Strive to provide consistently high quality support, solutions and expertise to my clients.

Develop your mission statement. Use the above as an example but remember that your Mission must have Purpose and Vision

What is your slogan?

Example: *We provide high quality support, Your problems are my problems.*

Business Summary

What is the current status of your business? Are you a sole proprietor, partnership or company?

This section should reflect your current situation.

For example:

I am a sole proprietor in my business operating from the study of my home. The goal is to build the business as inexpensively as possible with as little debt as possible.

Preparing your Business plan

Start-up phase

A consulting business provides a great opportunity to start up a business with very little capital and avoid the heavy burden of debt. If your aim of the business is to operate with little or minimal debt then this should be the philosophy of the business.

Outline the start up expenses and whether these are financed or through the owners' investment or other means.

Start up requirements

Assets	
Vehicle	\$20,000
Computer	\$2,000
Printer	\$350
Fax	\$200
Total Assets	\$22,550
Expenses – first monthly	
Stationery	\$100
Marketing material	\$200
Mobile phone	\$100
Internet	\$50
Vehicle costs	\$200
Vehicle Insurance	\$100
Home Office	\$50
Total expenses	\$800
Owners Investment	\$23,350

Business Location and equipment

Outline your office location whether it is the study at your home or in a rented office. If you are based in your home do you require an additional phone / fax line / data line? If you are renting or need to rent a premise what are the rental fees.

Do you have the facilities to receive clients?

Services

You are a small consulting business operating from your home and offering high quality, responsive and knowledgeable service.

These services are:-

- Bookkeeping
- BAS preparation
- Consulting
- Software support
- IT Support
- Software sales
- Hardware purchase assistance

Outline your services, who will be delivering these services and how they will be kept up to date with current trends and technology. This is extremely important. Dealing in a business who's basis is technology it is important not only for your clients but for your competitiveness in the future.

Develop a framework for charging of the above services. Consider the following:-

Hourly – A standard rate charged by the hour for work done on or off site of the client. (Include a travel time component)

Prepaid – A prepayment of xx hours given the client access to telephone support

Maintenance – An agreed monthly amount payable in advance which incorporates sites visits, regular health checks, reporting etc.

Competition Comparison

Outline your competitors, who they are, what services they provide and if possible their fees. Divide them into different categories as this will most likely be the case. For example:-

Individuals – These will be much like you. Identify your points of difference to these. E.g. you are a MYOB Certified Consultant

Consulting firms – Evaluate the resources within these, are they as skilled as you.

Larger organisation – Can they give the personal touch; do they lose sight of the client and the needs of those clients?

Part of a competitor analysis is determining your area of business and the competitors within that area. Review the potential available clients in that area versus the number of competitors.

Preparing your Business plan

Marketing collateral

You need to start your business with collateral which will assist in not only promoting your business but keeping your current clients aware of your services.

Brochures – Detailing your business and the service it provides.

Sales catalogues – Detailing the software and hardware available

Stationery – Develop a letter head / logo. Incorporate any affiliated bodies or qualifications

Newsletter – These provide a great means in maintaining contact with your clients. They can also serve as a useful sales tool if used in the right way.

Web Site – Although this might not be completed when starting this venture it should be in the plan to have a web site detailing your services as soon as possible

Templates - These would be how to do documents (Support notes) which will assist your clients in dealing with there day to day issues or problems. Although not considered a marketing / sales tool they do promote your business and strengthens your relationship with your client

Company Profile – This document is a summary of what your business is all about. It should contain your products and services, your mission statement and several referrals from your existing clients.

Give away items- Pens etc. Anything that has your business name and can remind people about your business

Technology

This is vital to your business and it is important that you and your staff plan to keep up to date with the trends and technology of the industry.

You should allow a reasonable amount of time and expenditure to both updating your knowledge and infrastructure. Technology can and will form a large part of your service and the way you service your clients.

Market Analysis

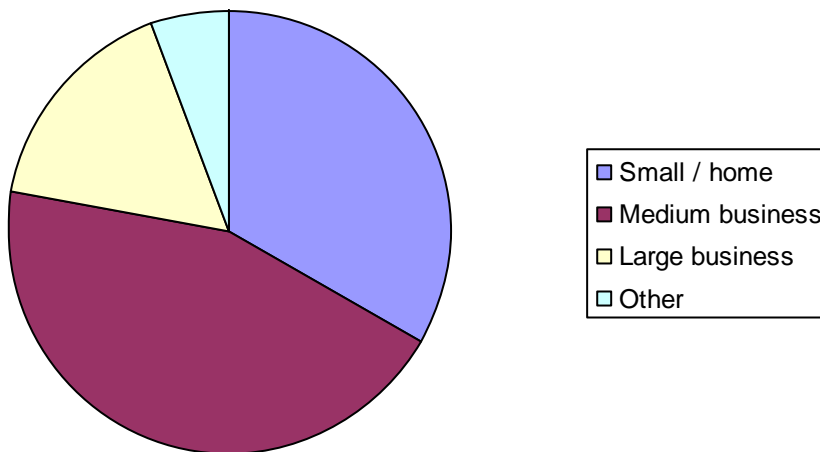
Break the market down into logical segments for your business. Taking into consideration your competitors and the size of the market breaking it down into segments will assist in developing your strategy to promote your business within the market.

In this analysis highlight your existing competitors along with the expected market share that they have. Also when analysing the market in your area also allow for the expected growth over say the next 10 years.

Market segments

Below are some examples of the segmentation of the market. It might be better to break the market down into client business types rather than size.

- Small / home office business
- Medium business
- Large business
- Other



Target market segment strategy

Industry Entrepreneurs suggest six market segments as a starting point:

Below are some suggestions -

1. Businesses not using accounting software
2. Small business using software but lacking knowledge
3. Businesses needing data entry assistance
4. Medium business needing to expand their IT infrastructure
5. Medium business needing consulting support and problem solving service
6. Large businesses requiring experience support

Market Needs

Once you have segmented the market the next step is to determine what the needs are of the market place. What are the specific skills that you can provide to your clients?

Below are some examples:

- System setup
- Training
- Reporting requirements
- End of period reconciliations
- Network Admin
- Disaster Recovery
- Additional backup service

Market Trends

Identify the trends that are occurring in the market place about your industry.

For example:

1. Businesses utilising more consulting/ outsourcing services
2. Small / medium business struggling to keep up with legislation
3. Greater reliance on computers for the day to day operations of small /medium businesses

Don't rely on your gut feel, get evidence from industry experts.

Market Growth

In reviewing the market segment thought should also be given to the growth of the market. Does your business plan rely on the growth of your market? In growing your business your clientele will grow.

Will this be as a result of?

- New growth in the market place?
- Clients now requiring your services?
- Or are you relying on taking the business from others?

Obtain information from the relevant authorities as to the growth of business in your area. Also look at the possibility of widening your service area through the use of technology.

Main Competitors

Complete an analysis of your main competitors:

Competitor 1

What are their strengths?

Their primary weakness

Competitor 2

What are their strengths?

Their primary weakness

Competitor 3

What are their strengths?

Their primary weakness

Upon identification of the strength and weaknesses of your competitors, analyse these against your own. Determine the best strategy to combat these strengths or on the case of their weakness leverage off.

Strategy and Implementation

Develop 4 main promotion strategies.

1. Referrals
2. Media advertising
3. Direct marketing
4. Web based

Strategy 1 – Referrals – develop a method whereby your existing clients can refer your services to others. This might be in the way of a discount voucher, or a free consultant. Also incorporate a means whereby your clients can benefit from the referral as well.

Strategy 2 – Media advertising – Identify the specific industry segments that you are experienced in and have clients in. Contact these clients to find out if they are affiliated with an association etc with the view to advertising in these areas.

Strategy 3 – Direct marketing – Now that you have identified those industries which you can claim to be experienced. Utilise the services of list agencies, yellow pages, google etc to locate businesses within your area that are part of these industries with the view to target them directly.

Strategy 4 – Web presence – The web is an excellent place to provide valuable information to your clients about your services. If designed in the right way you can also provide ongoing information for your clients on your sight which encourages them to visit the site frequently.

As part of your strategy you need to incorporate a guarantee which will add value to your proposition.

Value and competitive edge

What is the value that you can bring to your clients?

For example you could offer a 100% guarantee on your services. You provide experienced and knowledgeable solution in a time effect manner.

What is your competitive edge over your competition? How can you market your service by being competitive and unique? For example you might have several clients within the same industry therefore you can state that you specialise and understand this industry sector.

Marketing Strategy

Now that you have identified the service that you can offer and have identified the market segment that you are targeting we now need to look at how you are going to market to these segments.

Position Statement

What is to be your position statement?

This should reflect who your target market is and would incorporate your value statement.

[Your business name] specialises in the Industry sector offering bookkeeping, consultancy etc.... we offer a 100% guarantee on all our work.

Pricing Strategy

It is imperative that before you go out to market that you have developed a firm pricing strategy. Your business will most likely consist of different streams and it is expected that you will charge for these different stream accordingly. For example:

Bookkeeping =	\$xx.xx per hour
Consulting =	\$xx.xx per hour
Phone Support =	\$xx.xx per hour

One of the hardest problems that people in business face is knowing what to charge and when to charge it. So it is important that when you are checking your competitors that you can compare your prices to theirs. Also don't fall into the trap of not increasing prices for you early clients as they are loyal to you.

Offering a discount only devalues your product or service.

Promotion Strategy

Based on your 4 point strategies stated previously develop how you are going to promote your business. If you have existing clients then the first would be to work on networking and leveraging of them. Utilise the referral program that you would have established. The best publicity a business can have is happy and satisfied customers who will referral you.

Marketing Program

Developing a program of how you are going to market is something you should plan to do and set time aside each month. How are you going to get the word out that your services are available.

- Send out brochures to the potential customer
- Include a newsletter to show the information that your clients are provided with
- Media releases
- Articles in industry newsletter of which you are associated with
- Conduct seminars

Sales Strategy

Outline what your strategy is. For example when selling software is your aim to make your money on the sale or on the services that you can provide after that?

A large portion of your sales will be driven by customer demand. "When they need help they will call". In your sales strategy you need to incorporate ways in which you can leverage of this demand to grow your business.

Remember the aim in a service industry is to maintain a positive client relationship which inturn will lead to repeat business.

Preparing your Business plan

Sales Forecast

Prepare a projected sales forecast for the first 2 years.

Below is a simplistic example:

	1 st Year	2 nd Year
Bookkeeping		
Hourly Rate	\$10,000	\$12,000
Prepaid	\$ 6,000	\$8,000
Consulting		
Hourly	\$ 23,000	\$ 24,000
Prepaid	\$ 16,000	\$ 22,000
Maintenance	\$ 8,000	\$ 18,000
Totals	\$63,000	\$84,000

Strategic Alliances

Outline potential strategic alliances that you can develop which will assist you in growing your business.

Whether you are a bookkeeper or Certified Consultant an excellent alliance would be local Accounting firm. Affiliate with associations or program such as the MYOB Professional Partner program. These alliances can help not only from a knowledge and information perspective but also in building your clients base.

Some examples:

- Bookkeeping Associations
- Professional Partner program
- Local Accounting firms
- Industry Associations

Preparing your Business plan

Milestones

Outline the task needed to develop and grow this business plan.

For example:

Milestone	Start Date	Completed Date	Budget	Owner
Identify Keys to Success				
Competitor Analysis				
Develop marketing collateral				
Market Analysis				
Pricing Structure				
Promotion Strategy				
Sales Strategy				

Financial Plan

The business plan will assist you in not only growing your business but also if the right financial plan is in place making it a viable business. Your financial plan underpins your business plan and gives you the viability to run and grow the business.

There are 3 main components of the financial plan Budget, Cash flow and Profit & Loss. The success of a business is not necessarily measured by the wealth or Profit of the business but by its cash flow which in turn will provide wealth and profit.

Budget

The budget assists you in controlling and measuring 2 key financial aspects of your business: Income and Expenses. The purpose of the budget is 2 fold:

- Measure and control expenses
- Provide targets

Example:

	Jul	Aug	Sept	Oct	Nov	Dec
Income						
Software						
Bookkeeping						
Consulting						
Expenses						
Vehicle						
Telephone						
Stationery						

Preparing your Business plan

Cash Flow

Profitability of a business is necessary but Cash Flow is essential to a business. A businesses ability to pay its debts without running out of cash will lead to a profitable business.

Once you have identified all the income and expenditure of the business in the budget you can now use this as the template for your cash flow forecast.

Example:

	Jul	Aug	Sept	Oct	Nov	Dec
Income						
Software						
Bookkeeping						
Consulting						
Expenses						
Vehicle						
Telephone						
Stationery						
Surplus						