The Elements Of Business Plan

Abstract

The development of strategies and tactics of production and business activities of the organization is the most significant task for a new entrepreneur. A generally accepted form of proceeding strategies and tactics is a Business Plan.

After reading all the possible information and doing some studies, I tried to write as much as possible about how to actually develop a business plan correctly using step-by-step actions.

The man aim of this essay is to show the significance of writing business plan and how to write it properly.

Introduction

The current economic situation associated with the transition to market relations requires from entrepreneurs to open up a new approach to internal planning. Planning is necessary for any organization that intends to take some action in the future. Companies are compelled to look for such forms and models of planning that would ensure the maximum efficiency of their decisions.

In a market economy, entrepreneurs will not be able to achieve steady success if they do not clearly and efficiently plan their activities, constantly collect and accumulate information about the status of target markets, the position of competitors, and their own prospects and opportunities. For all the diversity of forms of entrepreneurship, there are key supplies that are suitable in almost all areas of merchant activity for various firms. Business plan is required in order to prepare in time and get around potential difficulties and dangers, thereby reducing the risk in achieving the goals. For the effective functioning of your own enterprise, you need to know exactly your needs for the future in all resources: labour, material, financial. It is important to provide sources of their receipt, to be able to identify the efficiency of resource use in the process of functioning of the enterprise. Extensive experience of foreign and enterprises of Kazakhstan proves that underestimation of business planning or its incompetent implementation leads to huge economic losses.

Writing a business plan is almost an art. Nowadays, professionals are doing this. Foreign businessmen have realized, that without a plan you can’t start any worthwhile commercial event. Moreover, as international practice shows, everyone needs a business plan: those who are going to ask for money to implement their project - bankers, investors, and employees of an entrepreneur who want to know the prospects and better understand their tasks, as well as the entrepreneur himself, so that thoroughly analyze your ideas, check their rationality and realism. Planning is the most reliable quantitative assessment and interpretation of events that may occur in the future at a certain point in time. Most likely, the information will change as the business develops over time. But the fact that with a change in the environment for the functioning of the business there are changes in the information, this is no reason to argue that planning is a waste of time and management effort. If the planning is carried out correctly and is based on a clear tracking of events, then it becomes a powerful tool for a businessman, with the

help of which he or she has a clear idea of what is happening in the environment of his or her functioning and what impact he has on his or her business.

So, what is the business plan? A business plan is an important document of intent, due to which banks, if they act wisely can enhance control over the efficient use of their investment funds and identify signs of problems even before they become obvious. In order to receive investments and boost the economy, it is necessary to be able to justify your applications and prove to investors the viability and reality of your plans. Financial specialists must be certain about an intensive investigation of the venture and mindful of its viability. An effectively drawn up field-tested strategy should respond to the inquiry: 'Is it worth putting cash in this business and will it bring that will pay back every one of the expenses of exertion and cash?'. A marketable strategy is a report that portrays all the fundamental parts of a business undertaking dissects, every one of the issues that it might experience, and furthermore decides how to take care of these issues. Procurement the speciality of drawing up field-tested strategies today ends up significant for a few reasons:

- In order to receive investments and boost the economy, it is necessary to be able to justify your applications and prove to investors the viability and reality of your plans;
- New generation of entrepreneurs is entering the economy, many of them have never managed any commercial structure and therefore they are very poorly aware of the whole range of problems that wait them, especially in a market economy;
- Economic problems change and put experienced managers to the need to rethink their future activities, and prepare for an unusual case - the fight against competitors, in which there are no trifles;

Method

This essay consists of secondary method research, so the secondary research is a research method that includes using already existing data, from the websites, public libraries. Firstly, I search in the internet data about writing business plans from the foreign and Kazakhstani enterprises. Each of the business plan involves their own unique structures, I sum up them and find out efficiency steps. Secondly, I took a data from surveys which researched did about the significance of business plan in entrepreneurs career.

Results

An enormous level of business people don't compose strategies for their new pursuits. Truth be told, just 31% of the 600 business visionaries who took an interest in a Wells Fargo/Gallup Small Business Study showed that they had begun their endeavour with a marketable strategy. This measurement ought not stop a business person from composing a field-tested strategy, anyway think about that we don't have a clue what number of the business people taking an interest in the Wells Fargo/Gallup Small Business study who didn't compose a field-tested strategy wish they had done as such. We are likewise not certain what number of hopeful business people never go their organizations off the ground since they didn't have a marketable strategy. One scholastic investigation found that potential business people who finished a field-tested strategy were multiple times bound to begin a business than people who didn't finish a marketable strategy.

The first study issued in 2011 cumulative investigation on the business increase of 12,048 enterprises and detected that with help of business planning the productivity in the market raised. In fact, this research detected that planning makes available enterprises more profitable. However, that investigation doesn’t answer the following problem: For what reason would arranging support a business that has a couple of long stretches of history more than one that is simply firing up? The reply probably lies in the fact that available businesses have more experience and knowledge about their consumers’ needs are than fresh startup does. For an available business, planning includes fewer speculations that need to be argued, so the strategies they evolve are based on more info.

The second study detected that enterprises with business plan raise 35 % quicker than those that don’t have it. This investigation detected that many of businesses are successful without planning, but those businesses with a business plan raise quicker and were more prosperous than those that didn’t have it yet.

To sustain correspondence among floating and brisk increment, the third investigation recognized that fast raising endeavours had over 91% expansion in deals starting with one year then onto the next for the most part have field-tested strategies. In addition, 72% of speedy raising ventures have a thankful marketable strategy. They fabricate spending plans, suit deals targets and archive for their advertising procedures.

Executive summary

The executive summary is a short outline of the whole business plan; it gives a bustling pursuer all that she has to think about the new pursuit's unmistakable nature. As referenced before, in numerous cases a financial specialist will initially request a duplicate of a company's official outline and will demand a duplicate of the full business plan just if the executive summary is adequately persuading. The executive summary, at that point, is seemingly the most significant area of the business plan. The most significant point to recollect when composing an official outline is that it's anything but an acquaintance or introduction with the business plan. Rather, it is intended to be a synopsis of the arrangement itself.

The executive summary shouldn't surpass two single-dispersed pages. The cleanest design for an official outline is to give a review of the field-tested strategy on a segment by area premise. Subjects ought to be exhibited in a similar request as they are displayed in the marketable strategy. Two indistinguishable variants of the official outline ought to be readied one that is a piece of the business plan and one that is an independent record. The independent report ought to be utilized to suit individuals who request to see the executive summary before they choose whether they need to see the full arrangement.

Despite the fact that the executive summary shows up toward the start of the business plan, it ought to be composed last. The arrangement itself will develop as it's composed, so not all things are known at the start. Moreover, in the event that you compose the official rundown first, you risk attempting to compose an arrangement that fits the official outline instead of thoroughly considering each bit of the arrangement autonomously.

Company description

This area starts with a general depiction of the organization.

Items to involve in this section:

- Company description
- Mission statement
- Company history
- Current status
- Products and services
- Legal status and ownership

In spite of the fact that from the outset this area may appear to be less basic than others, it is critical in that it exhibits to your pursuer that you realize how to make an interpretation of a thought into a business.

Market Analysis

The market analysis breaks the business into portions and zeroes in on the particular section (or target market) to which the firm will attempt to advance.

Items that involves in this section:

- Market segmentation and target market section
- Buyer behaviour
- Competitor analysis

Most new companies don't support their whole industry. Rather, they centre around overhauling a particular (target) market inside the business.

It's imperative to incorporate a segment in the market analysis that manages conduct of the purchasers in the market. The more a beginning up thinks about the purchasers in its objective market, the more it can tailor its items or administrations fittingly.

Marketing plan

The marketing plan centres around how the business will market and sell its item or administration. It manages the stray pieces of advertising as far as value, advancement, dissemination, and deals.

Items to include in this section:

- Sales tactics
- Overall marketing strategy
- Promotions, products, prices and distribution
- Sales process or Cycle

The most ideal approach to portray an organization's advertising plan is to begin by articulating its marketing procedure, situating, and purposes of separation, and afterwards talk about how

these general parts of the arrangement will be bolstered by cost, limited time blend and deals procedure, and circulation technique.

Product (Service) design and Development plan

In case you're building up a totally new item or administration, you have to incorporate a segment in your business strategy that spotlights on the status of your advancement endeavours.

Items that involves in this section:

- Projected development cost
- Development status and tasks
- Challenges and risks
- Proprietary issues

Numerous apparently encouraging new companies never get off the ground in light of the fact that their item improvement endeavours slow down or the genuine advancement of the item or administration ends up being more troublesome than anticipated. Totally, this section can play a huge role in developing a fully new item and service.

Management team and Company structure

Numerous financial specialists and other people who read business plan take a gander at the official synopsis and after that go immediately to the management team segment to survey the quality of the individuals beginning the firm. Speculators read more business strategies with intriguing thoughts and energizing markets than they can fund. Therefore, it's regularly not the thought or market that successes financing among contending plans, yet the recognition that one supervisory crew is better arranged to execute their thought than the others.

Financial projections

The last area of business plan exhibits an association's professional forma (or anticipated) money related projections. Having finished the past areas of the arrangement, it's anything but difficult to perceive any reason why the monetary projections come last. They take the plans you've created and express them in budgetary terms.

Items to involve in this section:

- Pro forma income statement
- Pro forma balance sheets
- Pro forma cash flows
- Assumption sheets
- Ration analysis

Presenting business plan to investors

Twelve PowerPoint Slides to Include in an Investor Presentation

1. Title Slide
2. Problem
3. Solution
4. Opportunity and target market
5. Technology
6. Competition
7. Marketing and sales
8. Management team
9. Financial projections
10. Current status
11. Financing sought

12. Summary

Conclusion

Overall, the business plan can be the fuel for your company to be successful in the market, it can boost your business to a high level with potential growth in product sales and services. Thus, you're in an ideal situation WITH a marketable strategy than without it. Actually, in light of the review, you are twice as liable to develop your business or accomplish financing on the off chance that you have set aside the effort to compose a business strategy.

In all other respects, each business plan depends on a huge number of factors, the main of which is the entrepreneur himself, with his goals, professionalism and focusing on success. It is important to remember that planning itself does not guarantee success, but it can provide many significant and favourable factors for its achievement.