

## Business Plan Template

### Introduction

A business plan should be tailored for the objective(s) it is required to meet. Since such objectives can vary widely, (for example, seeking a management decision to launch a new product, enter a new market, raise capital from debt / equity providers, etc,) it is not possible to provide a ‘one-size fits all’ business plan solution.

However, there are a number of items that any credible business plan should address regardless of the purpose. *Jenesis Consulting* lists these below, together with a brief description of key points that should be covered under each item.

### Key Components of a Business Plan

- Executive Summary
  - This should be written after all other sections have been completed;
  - It serves to distil the business case such that the reader has an immediate appreciation of the key points and purpose of the document;
- Description of the Opportunity
  - Include an explanation of the background leading to a particular course of action being chosen. (For example, why a particular product is being proposed, or a new market);
    - Very often the proposal is in direct response to a specific issue that needs to be addressed, such as growing the revenue stream, diversification, etc;
  - In other words, the *strategic rationale* should be set out here;
- Alternative Options
  - In arriving at the optimal solution for the business, a number of alternative options should have been considered;
  - These alternatives should be described here, including reasons as to why they were rejected in favour of the solution being proposed to the decision-makers;
    - This gives the reader some insight into the analysis leading to the recommendation and provides confidence that due consideration to other available options has been given;
  - Note that if the purpose of the business plan is to raise funding and is therefore aimed at capital providers, then this ‘Alternative Options’ section is not relevant;
    - Instead a detailed narrative of the company is necessary, including description of the products / service, sales and marketing plans, competitor analysis, operating plan and biographies of key management;

- Financial Analysis
  - A suitable forecast period should be decided upon, e.g. 3 years, 5 years or longer, including 2 years of historical financials if appropriate, for trend analysis;
    - In some cases, a monthly forecast may be necessary (at least for year 1), particularly if cashflow is a key element of the decision, or if the business case is to form the basis of an Operating Plan or Budget;
  - Forecast Profit & Loss account, Balance Sheet, Cashflow should be included for the ‘Base Case’. (Base Case being defined as the most realistic outcome);
    - Detailed analysis may be relegated to the Appendices;
    - A list of key assumptions should be provided;
  - If appropriate to the decision, a Return on Investment analysis should be undertaken, including a discounted cashflow analysis;
- Exit Strategy
  - Relevant to a business plan that is seeking equity funding from Angel, Venture Capital or Private Equity investors;
- Risk Analysis
  - A discussion on the risks associated with adoption of the recommended course of action should be undertaken here, including steps taken to mitigate such risks;
  - Risks may include, but not limited to
    - Market / macroeconomic;
    - Technology;
    - Regulatory / legal / geopolitical;
    - Execution (for example due to slippage in achieving milestones, loss of key personnel, etc);
  - A sensitivity analysis to determine impact on the financials should be included, ideally comparing a ‘Hi-case’ and ‘Lo-case’ with the Base Case;
- Recommendations
  - Specify in unambiguous terms, the decision(s) being sought from the audience that the business plan is targeted at;
  - Suggest next steps, if appropriate;

## Further Guidance

The above Business Plan Template provides an outline of the key sections that should be included in a typical Business Plan. Should further advice and support be required to develop your Business Plan or financial models, *Jenesis Consulting* would be pleased to discuss your requirements.

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