Aoraki Development
BUSINESS & TOURISM

Business Planning Guideline

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Business Idea

Before starting a business plan for a new business you need to complete a feasibility study. Contact ADBT for a free guide on areas you need to consider. Do you have what it takes?

Is there a market?

- Is there a need for this new business?
- Is there a gap in the market place?
- Is there a strong public demand for your product or service?

Can you take on the competition?

- RESEARCH YOUR COMPETITION – .
- Is there room for another business entering the market?
- What does your competition charge?
- How many staff do they have?
- How do they package? Present? Market their product or service?

Undertake Market Research

- Establish who your customers will be. (Remember not everyone wants or needs what you are selling).
- Who are your customers? What do they think of your product or service?
- Where do they live? A particular area of the city?
- What age group are they?
- What socio-economic group are they? (Low income? –Middle income? –High income?)
- Are your customers local? New Zealand wide? International?
- If Unsure –Make a Questionnaire with 4-5 Questions and Go Out and Survey Various Groups in the Community.

Contact Professionals for information on business structure, tax and legal requirements

- Accountant
- Lawyer

Business resources

www.southcanterbury.org.nz/business

Business Mentor Programme - www.businessmentor.org.nz

Inland Revenue Department - www.ird.govt.nz

South Canterbury Chamber of Commerce - www.scchamber.org.nz

New Zealand Government information website for Businesses - www.business.govt.nz

New Zealand Trade & Enterprise - www.nzte.govt.nz

IRD Tools for business www.ird.govt.nz/yoursituation-bus/starting/tax-for-bus

Business Planning

The following guideline highlights the areas you need to consider in preparing your plan. Some parts may not apply and you should tailor your plan to the specific circumstances of your business.

Developing a business plan is like a roadmap for your business. It lays out what you intend doing, how you intend to do it, the resources you need , and your action deadlines for each stage. The business plan forms a living document that you can revisit at regular intervals and modify according to your progress or changing circumstances.

Business Plan Template

Cover Sheet

Table of Contents

Executive Summary

a)	Why are you doing this?	*Why you decided to add value to your business.*
b)	How long is the plan for?	*Annual plan for the next how many years.*
c)	What are you doing?	*What is the proposal that is the basis to this plan?*
d)	How are you doing this?	*How this business is to operate and to complement the existing business.*
e)	What if?	'*What if' contingency plans.*

Vision Statement
What do you intend to achieve, by when?
(Note: A successful vision statement is brief and catchy, able to be used as a mantra to success)

Mission Statement
How you will achieve the vision and develop the business?

Key to Success
2 or 3 reasons why you believe you will be successful in this proposal.

Expertise
What expertise, skills and experience are necessary for this business proposal?
Do I have these skills, or employ staff with this expertise, or how I will source the necessary expertise?

Goals
Up to 5 goals to focus you on where you want to go.
For each goal there will need to be a number of sub objectives that will allow the achievement of the goal.

Company Analysis

a) Company Structure
b) Company Summary — Who are you – current type of business, who are your customer(s)?
c) Company Ownership — Registered where (E.g. NZ) and owned by whom
d) Company History — A bit about where you have come from and why

Company Locations and Facilities

What facilities and equipment does the business own at present?
What facilities and equipment are required for the value add proposal?
What facilities or equipment need to be sourced for this new business proposal, and how will you manage this?

Financial Performance

Prepare projected income statements, balance sheets and cash flow statements for the next 3 to 5 years. These should be on a monthly basis for the first year then quarterly.

You will need to make assumptions on sales and associated expenses incurred to create forecasts and projections. Details of possible expansion plans, such as an increase in employees or equipment should be included. Include your assets, stock, establishment costs, training needs, marketing and consultancy costs, along with your price schedule and margins.

Product/ Service

Define precisely what you intend to make, develop or sell.

Competitive Analysis

a) Are there current producers of this product, who is doing the same sort of thing?
b) Why are you different to them, what is your point of difference?
c) How will you be better than any competitors?
d) If your proposal is unique, then why?

Compliance Requirements

What consents are necessary for district and regional councils, Government agencies, professional bodies?
What time frames and costs are required to gain all necessary approvals? Who will manage this process?

Technology

What technology is imperative to you, why, and what edge/ advantage does it give you?

Business Contingency Planning

What are the risks inherent in this business proposal? i.e. time, finance, resourcing, expertise, unforeseen events, weather events etc.
How will these risks be managed?

Market Analysis Summary

a) Who is your target market?
b) What does this markets need?

c) How big is the market – now; potentially; seasonally?
d) What are the market trends?
e) What opportunities does this market offer?
f) What do you need to do to profit from the market? (research; plant and capital; licences and consents; time frames etc.)
g) How will you develop the business to meet the market?
h) How will you develop the market to meet your businesses potential?
i) Attach any sales literature that you might have created?
j) Brand development – how will the core and value add business be branded and what association will there be between the brands?

Industry Analysis

a) Complete an industry analysis for the business.
b) Where is the industry at present?
c) Industry Patterns - Industry figures, who is selling to whom, volume figures etc
d) Competition and buying patterns - What is critical, product, price, volume etc?
e) Who are your main competitors? Their name, strengths, weakness.

Competitive Edge

What is your edge over your competitors as a whole?

Strategy

a)	Product Strategy	Where are you positioned, who do you want to purchase your products and services and why?
b)	Positioning Strategy	Where are you aiming yourself in the future and why?
c)	Pricing Strategy	What are your immediate pricing plans?
d)	Promotion Strategy	How do you intend on marketing the business?
e)	Marketing Strategy	What is your most important marketing programme, who is in charge, what is the budget, when do you plan to start the programme?
f)	Sales Strategy	What are you focused on, and how long do you intend this strategy to last?

Sales Forecast

a) What are you basing your Sales Forecast on, both in regards to costs and sales?
b) Attach three years forecast sales and costs figures
c) What are the essential components to achieving these forecasts?

Management Summary

a) Who will be in charge of the operational management?
b) What are the necessary roles ie operational, financial, human resources, marketing etc and who will fill these? What are they responsible for, and who reports to whom?
c) What is your Management style, how do you intend to lead your company?
d) The Governance management split – who are the Directors and what are they responsible for, who reports to them?
e) Management gaps, do you outsource any professional services, use consultants?

Human Resources Plan

a) How many staff required and what roles?
b) Salary structure i.e. in line with current market, or slightly higher to source the necessary expertise?
c) Staffing trends i.e. increase or decrease over the life of the plan

NOTES:

1. All statements above should be brief, and clearly thought out.

2. Keep your statements concise and clear so that they are easily referable and memorable.

3. A business plan is a living document and only relevant if continually referenced and updated.

YOUR BUSINESS MUST HAVE:

1. All necessary consents to operate.

2. Employment agreements and job descriptions for all staff.

YOUR BUSINESS SHOULD ALSO HAVE:

1. All necessary insurances for operating including public liability, business continuation etc. Consult your professional.

2. Financial support including capital, seasonal finance approvals as necessary.

3. Health and Safety Manual.

AS YOUR BUSINESS GROWS YOU SHOULD CONSIDER DEVELOPING:

1. An Organisational Chart.

2. A Confidentiality Agreement.

3. Human Resources Manual.