

What to include in your business plan

Introduction For the purposes of this submission, we will be focussing primarily on the core elements of your speculative business. 3000-words is a modest length for a business plan and therefore we will expect only a very concise overview of your entrepreneurial proposition. We also recognise that you are design students (not business students) and as such we do not require you to go into forensic detail about your financial projections, as you would in a real-world business plan. However, we encourage you to work on these financial elements, should you choose to develop this document into a fully functioning business plan beyond the submission for this module.

Most business plans include these following key sections:

- Investment Summary
- Executive Summary
- Opportunity
- Solution
- Product Road Map
- Competitors
- Business Model
- Business Development Plan
- Investment
- Appendix [not required for this submission]

We will unpack each of these sections one by one below. We strongly advise you to do further reading to more fully understand the complexities a business plan how each of these sections have a particular purpose.

The following outline has been adapted from advice offered by the start-up incubator, Alacrity Foundation.

Investment Summary Your executive summary is a concise and compelling overview of what your business offers your potential investors. It's a way to hook them and make them curious to learn more.

Many busy investors will only skim this page to decide if this business plan deserves their attention. You should therefore detail only the essential information. Provide a one or two sentence overview for each of the following points:

- Market problem and market opportunity
- Your solution
- Your unique value proposition / differentiation
- Summary of your business model
- Funding requirements
- Financial projections, growth and profitability
- How you will allocate any investment funds
- Your team (describe their roles and expertise)

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Executive Summary The executive summary serves as your initial pitch to engage potential investors. It acts as the gateway to your entire business plan. If it fails to captivate investors, chances are they won't delve into the rest of your plan.

Position your executive summary at the forefront of your business plan for easy access. While each executive summary is unique, essential components include your business model, capital needs, fund utilization, target markets, customer base, and projected returns.

Use this opportunity to express your expectations from investors and how you intend to reciprocate. Be concise; investors have limited time.

Potential You can either start this section with a solution to the problem for your customers, or by introducing a gap in the market where you can show your competitive advantage. This is where you get to attract your prospective investor to the exciting potential of your business and what it can do.

Describe the issue(s) that your business will address. Introduce your target audience, the demographics and psychographics (the behaviours of consumers). Estimate the size of the market and how you will stake a claim within it.

You must demonstrate a clear knowledge of the people that will engage with your products or services. This way you can make informed forecasts on how they may buy into what your business can offer. Make sure to back up your claims with evidence and data where possible.

Include links to sources and studies that support everything you are saying about your industry and potential market. Where possible provide primary market research, highlighting real-life issues voiced by potential customers.

To have a viable business idea, you need to confirm that there is a real problem that needs to be solved. You also need to demonstrate that your solution is suitable for the market problem and the potential customers.

Solution In this section you explain how your business will seek to address the problem(s) outlined in the previous section.

You should outline how you intend to take advantage of the opportunities in this field. You will have already outlined your unique proposition, now describe what makes your solution stand out in your industry. Explain how you intend to deliver this solution to your customers or clients.

You might want to present use cases and customer profiles to illustrate the benefits of your solution.

Include clear visuals, info graphics and customer journey maps of any product features that can help you demonstrate your solution.

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Product Road Map You need to show your investors how your product will evolve with their funding. You might think of this as your product evolution plan: it should include stages of development and estimated dates.

It is here that you outline your product growth strategy. You may choose to present this as both a written description and graphic timeline or Gantt chart.

Competitors To convince your potential funders that you have a competitive edge in the market, you need to show them how you differentiate yourself from others. Your business plan should include a thorough analysis of your main rivals and their unique strengths.

You should explain what makes your business singularly different and more successful than others doing similar things. Explain your competitive advantage in detail and clarify why your customers will engage with you over your competitors.

Business Model This section shows investors how they will get a return on their investment. You should explain how you will charge your customers and/or clients, how often you will charge them and provide details for pricing tiers if appropriate.

You have to demonstrate that your business model is realistic and viable, and that it can support your financial projections. Try to avoid providing overly optimistic numbers without explaining how they will be achieved within your model.

Consider the type of structure that your business will adopt and how you will make money. For example, are you intending to make a profit through (for example) one-time sale(s); self sign-ups; a freemium model; through a partner or distributor; through a retailer; within a physical location or through a franchise model? Whichever approach you take, explain why it is proven and reliable. Explain how the model is a good fit for your business and how it will be scalable.

Be clear about the limitations that you will encounter and keep in mind that business can change, evolve and adapt.

Business Development Plan The business development plan is where you discuss how you plan to attract and retain customers. In this section you explain your marketing and sales approaches in detail.

You should cover both your current and future tactics for inbound and outbound marketing, and how they relate to your Key Performance Indicators (KPIs).

You should also provide data on how you are generating and converting leads, and how you expect to improve your performance with new strategies. If you have any partnerships, collaborative initiative or outsourcing that will help you grow your customer base, you should outline these in detail.

You should also describe how you intend to evolve your team and explain your expected growth timeline.

You should discuss all aspects of how you intend to acquire customers or clients

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through (for example): digital platforms such as a website; exhibitions; retail; outreach initiatives; workshops or marketing events.

You should discuss key digital marketing strategies and how you would adopt these, outlining (for example) your use of: paid search; social media ads; email marketing; live webinars and events; influencer advertising and so on.

Investment This is where you highlight the fundamental opportunity that the market is offering to your investors and why you are the company that is best placed to seize upon these opportunities.

You will state how much investment you need and explain, in detail, what you will do with this capital.

Following this, you should outline how you intend to achieve an expected return on the investment that you are seeking. You should breakdown how you will reach these goals.

You will also present a projection of your financial return in the near future. Your sales forecast needs to cover at least the first 12 months of your business. List your projected customer growth and annual revenue: typically two to three years. These predictions should cover sales and expenses.

Alongside this, you should provide concise statements that give an overview of how you will manage profit and loss as well as cash flow. You can also include any new partnerships, new markets or new product integrations if these will form part of your business development plan in the foreseeable future.

Appendix (Not required for this submission) The appendix is typically where detailed financial evidence is provided, in order to support your projections and underline the credibility of your business proposition. As mentioned in the introduction, we do not require you to go into such details for this submission but encourage you to work on this material should you decide to develop your business plan beyond your MA.

In your appendix you would normally include:

- Profit and loss
- Balance sheet
- Assumptions
- Cashflow
- Links to any supplementary financial material
- Risk assessments