



Setting up a business

Version 2.2

A practical guide to setting up a small business or social enterprise, particularly in a rural context, drawing on Biblical principles for flourishing individuals and communities.

This workbook covers finding and refining a business idea, and testing whether the business idea is likely to work out financially. The workbook is written as simply as possible for the widest accessibility, but the content is profound and relevant to those from any level of educational attainment. The workbook is adapted with permission from a guide first published in 2008 by Tesseract. www.tesseract.com.

The Arthur Rank Centre is a Christian charity serving rural churches and their communities, see www.germinate.net. We've quoted passages from the Bible that we believe are helpful when thinking about the principles underpinning a successful and ethical business. Jesus was a man who ran a family business in a village. His parables were often about rural businesses such as vineyards, building barns and putting talents to work to get a return on investment. Of course, ethical principles are not unique to Christianity, and we hope that those of other faiths and none will empathise with the wisdom contained in these spiritual reflections and find this guide of use in planning their enterprise.

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1. Your business ideas

Are you considering setting up your own enterprise? Are you stuck for ideas or wondering which of your ideas might work best? Are you not sure if you want to take the plunge or wondering where on earth to start?

Then this book was written for you. As you work through this material we hope that your next steps will become much clearer, and you will be inspired to set up something that will help you and your wider community to flourish.

Enterprises come in all shapes and sizes. Perhaps you are looking for something to run in your spare time, or part time. Perhaps it'll be just you, operating as a self-employed individual. Or maybe you hope to grow a business that will employ other people too. Maybe you want to work with a friend and form a partnership. Or work with a community group and set up a social enterprise, which is a business run with broader goals than profit.

The same basic business principles apply to all of these types of enterprise, even if the profit is called surplus and used for a charitable purpose. And all enterprises run in a positive way can bring people together and help communities to flourish.

Setting up a business is not difficult, but it is hard work, and it does need you to think about things carefully. This book is about working your ideas through, planning your activity, and researching your customers, your market and your competitors. We hope that by putting in the work on paper, you will be saved from the pain and expense of a business that fails. And you'll be able to choose which idea is best suited to you and the resources available to you, and therefore most likely to be a success.

“ Entrepreneurs are simply those who understand that there is little difference between obstacle and opportunity and are able to turn both to their advantage. ”

Victor Kiam
American Businessman

“ The people who get on in this world are the people who get up and look for the circumstances they want, and, if they can't find them, make them. ”

George Bernard Shaw
Writer



The Arthur Rank Centre

The Arthur Rank Centre is a Christian organisation serving rural communities and churches. We've included some biblical references and concepts that we believe are helpful in thinking about the principles that underpin a successful and ethical business. You'll find our reflections in boxes like this one throughout this guide.

Of course, ethical principles are not unique to Christianity, and we hope that those of other faiths and none will empathise with the wisdom contained in these spiritual reflections and find this guide of use in planning their enterprise.

Some businesses do fail, some succeed wildly and others fall somewhere in between, but how do you know which of your ideas is mostly likely to succeed?

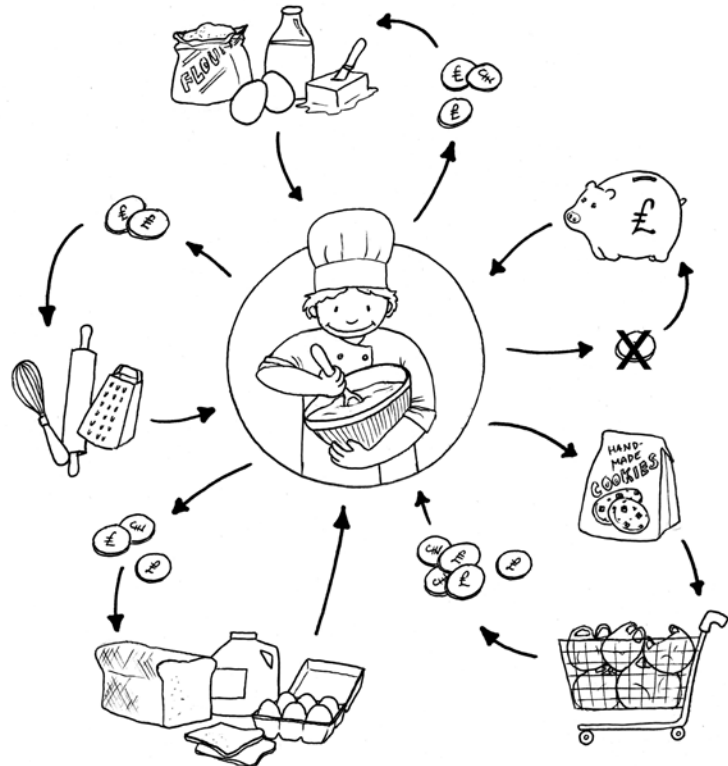
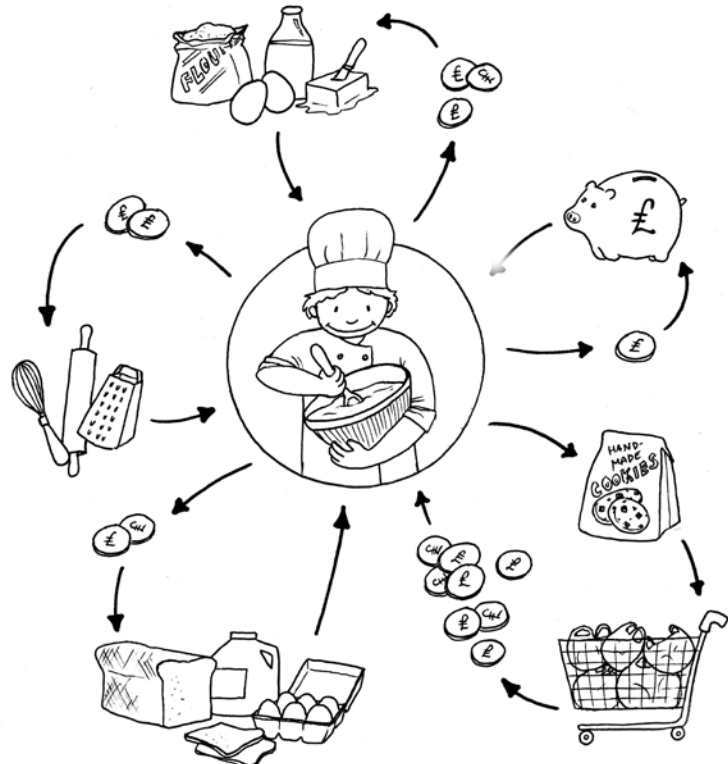
From experience, those who succeeded in business:

1. Made something or did something that people wanted so much that they were happy to pay enough for it
2. Did it well enough that people bought it rather than going to someone else
3. Made it or did it in such a way that people paid them more than it cost them, so they always had some money left over
4. Took care of the money left over, ensuring they not only had enough for themselves and their families, but also for replacing all the equipment used in their business.

Those who failed in business failed to do one or more of these four things.

At its heart, business is that simple!

The diagram shows the money flows for a manufacturer, a biscuit maker in this example.



It is often the case that people's first idea for their business does not work out – they have a good idea, but they can't quite make it succeed on every one of these four points. This is common and usual! People who are successful in business are often on their third or fourth idea. Their first few ideas failed. For the more fortunate ones, their ideas failed on paper or at the planning stages, before it had cost them too much. Others on their third or fourth business put a lot of effort and money into earlier business but learnt from their failures and were not put off. Use **Exercise 1** to record some observations.

All types of people set up successful enterprises. From those who failed at school to those who excelled, from introverts to extroverts. But if you are considering setting up an enterprise do think through your personality and resilience first – how well do you relate to other people? Would you enjoy the interactions with suppliers and customers? Can you learn from your failures and pick yourself up and try again? Things will go wrong - they always do. Will you cope? You will inevitably receive criticism – are you able to take it graciously and listen out for useful advice? Are you comfortable taking responsibility for the enterprise? When things go wrong are you able to turn problems into opportunities, or do you tend to blame others? When you are in charge the only person who can solve problems is you!

If that sounds hard but possible, or you're not sure, then planning carefully using this workbook will help clarify your decision. It should also help you sift through the business ideas you come up with and choose the most suitable.



Exercise 1

Do you know someone who has developed a successful business?

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Why is it successful?

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Was it their first idea?

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Who do you know who has failed in a business?

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Why did they fail?

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What have they learned about making a successful business?

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As well as your personality, do also think about your ideal work environment and bear it in mind when choosing your idea. Do you prefer working alone or need to find others to work with, or next to? Do you want to work inside or outside?

You may need to run several ideas through this guide before you come up with one that is going to suit you and be profitable. But that's actually a really good plan - it will give you a range of ideas so you can pick the very best. One that suits your skills, your resources, your personality and your pocket.

And remember, if it works out, you could be doing something you love and getting paid for it. Imagine having the opportunity to do what you do best every day!

For this guide to really work for you you'll need have a go at the exercises, not just in your head as you read, but on paper. It'll make a big difference.

This guide has been written to enable you to start up an enterprise that enhances both your life and the lives of others around you. Your course is probably being delivered by volunteers. By the end of the sessions we hope you will have enjoyed using the guide so much that you will recommend the course to others, and perhaps even volunteer to help deliver the next course.



What will your business do? You may already have a business idea, or several, that you are considering. Or you may need to come up with some ideas. The following material should help generate lots of ideas to give you a long list to choose the best from. If you already have your idea, bear in mind that there could be an even better one (or your next one!) out there, so do still have a go at the exercises.

To be successful, businesses have to do things that somebody else wants enough that they are willing to pay for it. It can be helpful to think of things as 'products' or 'services' but sometimes businesses do have a bit of both mixed in together. Use **Exercise 2** to record some initial ideas.

A product is something you can touch and see and hold, which you can make, grow or re-sell, and which you can simply pass on to someone else and get paid for it – for example: asparagus, cakes, furniture, hot tubs, farm equipment.

A service is where you do something for someone else; where you provide effort and skill to do work for other people and get paid for it – for example: dog walking, childcare, tutoring, maintenance, software development, event management.

Your business can either provide products, or services, or a mixture. But three really simple rules apply:

1. Someone has to want what you provide, and want it enough that they are willing to pay enough for it.
2. You have to have the abilities and resources (resources are tools, land, buildings. etc.) to provide what people want, when they want it, and how they want it.
3. The product or service you plan to sell should be ethical, legal, and something you're proud to provide.



Exercise 2

What examples of products can you think of?

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And what examples of services can you think of?

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“A vision without a task is but a dream, a task without a vision is drudgery, a vision and a task is the hope of the world.” ”

From a church in Sussex

Before moving on from this list of people's needs, consider the difference between a business, a charity and a social enterprise.

To survive, a business has to make money from selling something. It cannot give away all its products for free. A charity can do things for people who cannot afford to pay, because it gets an income from donations.

The **first of the three simple rules** was that 'someone has to want what you provide, and want it enough that they are willing to pay enough for it'. Consider the needs on your list. Are they all things that people are willing, and able, to pay for? You may need to go back through the list and cross off all of those needs that people cannot afford to pay you for. You may find that a struggle if you really care about these people and their needs. You may decide to use some of the profits from your successful business to give to a charity meeting those needs. Or you could set up something to help them yourselves – perhaps cross-funding one customer group from another. For example, you could design websites at discount rates for charities and subsidise the work from commercial clients; or you could offer horse riding for the disabled with contributions from your livery business.

If you are part of a group of people and you want to set up an enterprise together whose goal is something other than profit, you may want to set up a social enterprise. These may be registered at Companies House as a Company Limited by Guarantee, with a directors and members, or as a Community Interest Company or other legal structure. This doesn't mean you aren't concerned about profits, as you need them to continue your work, but because your profits are ring-fenced for the goals of the enterprise, you may be eligible to apply for grants to help with running costs or equipment, whilst still being able to be employed and be paid a reasonable salary.

CASE STUDY

Farmers' Market

A local environmental charity, amongst its other activities, sought to reduce the food miles of produce bought by people in their area. They decided to set up a farmers' market to sell food grown and made within a 20 mile radius.

They formed a social enterprise, with members and a Board of Directors drawn from the charity itself, plus the stallholders and other local supporters. The legal documents (memorandum and articles of association) of the social enterprise linked it to the charity so that any profits could be ploughed back into the work of the charity.

The social enterprise was able to trade, charging stallholders for their pitches. Social enterprises are also able to raise finance by getting loans, e.g. from a local CDFI - Community Development Finance Institution, and are often eligible for grants e.g. from Local Government schemes or Grant Making Trusts.

If you are thinking about setting up a charity or a social enterprise it's important to find the best legal structure for what you'll be doing, so do get advice. There is a lot of fantastic material and information online –

Appendix G contains some helpful links to start your research.

When you have finished your list of what you are able to do compare it with your first list of 'what people need' to make matches between what you can do and what people need. If there are very few matches don't be discouraged – it probably means your lists aren't yet complete. Try the following two **Exercises 5 and 6**.

1. **Firstly**, work through the list of 'what people need' one-by-one, and use each to help you to think of other things that you are able to do to meet these needs, even if only in part – and then add these to your list of what you are able to do
2. **Secondly**, work through the list of 'abilities and resources' one-by-one, and use each to help you to think of other needs that could be met by you, even if only in part – and then add these to your list of 'what people need'.

As you work through these exercises, you will find the number of matches that you have between 'what people need' and 'what you are able to offer or do' increase.

Then look through the list of matches and cross out what you are unwilling to do, and circle those things that you most want to do. Before you undertake this third step take time to reflect on this and ask friends you trust for their thoughts too. Whatever you choose to do now, if it is successful, will not only impact on your life in the long-term, but it will have the potential to make a real difference to the people around you.

Exercise 5

What new ideas do you get for 'what you can do' when you look through the list of 'what people need'?

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What new ideas do you get for 'what people need' when you look through your list of 'abilities and resources'?

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From your list of matches, which do you want to think about further?

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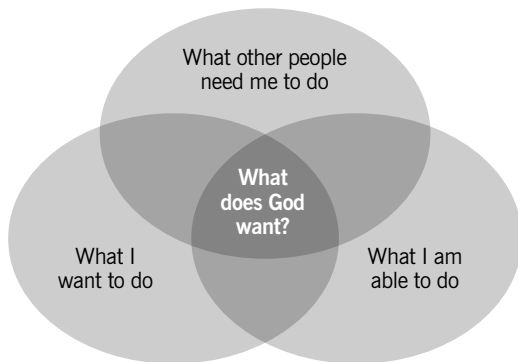
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As you work through the rest of this book you may find you have to return to this chapter from time to time to help you to pick up another good business idea. Maybe your earlier ideas didn't work out in the planning stages, perhaps because your first business is really successful, and now you want to start up another one.

When you revisit the chapter, please feel free to re-order the steps:

1. You could start with what you want to do as a list, and cross out those things that you are unable to do (even with training) and those things for which there is no need OR
2. You could start with those things that you are able or could be trained to do, and then cross out those things that you don't want to do or for which there is no need.

When you have selected the business idea you want to use you can move on to the next chapter.



Praying for guidance

We would also encourage you to pray, alone or with others, to ask for God's wisdom with the decision, asking God to speak to you.



Sometimes God speaks to us simply through things other people say, or he may give someone a specific prophecy for your business. Other ways of hearing from God are through words leaping out at us as we read the Bible, through dreams, visions or pictures, senses, impressions or feelings, or even simply the circumstances around us. God does have an opinion on your life choices, and if there's something he's guiding you towards, he will help you as you do it.

Exercise 6



Think about the choices you have made:

Did you feel led in any particular way toward or away from these choices after careful consideration?

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What do your friends say about your choices?

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What do you really want to do, and why?

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Will you be proud to provide it? Is it ethical and legal?

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My business idea is:

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3.

2. Customers & competitors

How will you sell your products or services? Ralph Waldo Emerson said: 'Build a better mouse trap and people will beat a path to your door'. What he meant was 'good products sell themselves'. That may have been true a hundred years ago, but today, even if you have the best product in the world, you need to place it in the middle of a busy highway with lots of flags around it, and even then most people are likely to avoid you and complain about the space you are taking up.



To be fair to Emerson, once they know you offer the best product after buying your product for the first time, they may well beat that path — but the question is “How do you get them to know – How do you get them to make that first buy?”

To sell your products and services requires two things:

1. That your product or service really is 'better'
2. That enough people know that your product or service really is 'better'

So what do we mean by 'better'? We mean that your product or service meets the needs of your customers more than the products or services of anybody else. This may sound simplistic but in business it is often the simple, carefully thought-out things, that make all the difference.

Pause for a minute and think about what you buy, who you buy it from and why you buy it from them. Make a list in **Exercise 7** then look at your list and see what you think is 'better' as a customer. Get some of your friends to make a list and see what they think, as customers, is 'better'. If you and your friends choose who to buy from in this way, then it is likely that other people will too – including the people who will ultimately be your customers.

Use **Exercise 8** to record your observations.

Exercise 7

What do I buy?

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Who do I buy it from?

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Why do I buy it from them?

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What would cause me to buy it elsewhere?

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What do I mean by 'better' in this case?

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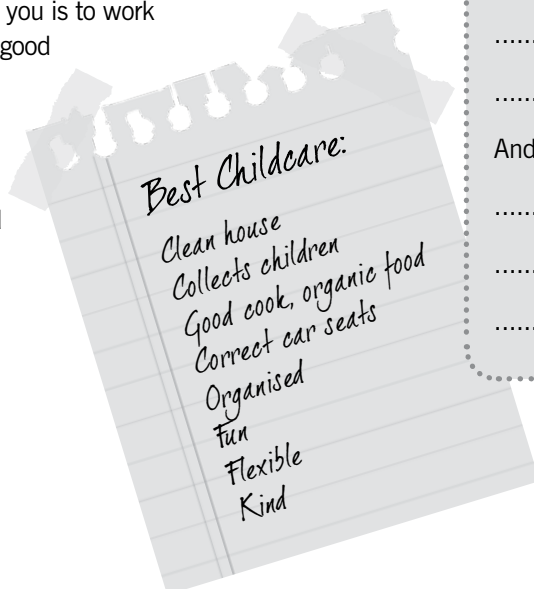
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For most customers, 'better' means:

1. **More consistently or more reliably** – people find that your product or service meets their need equally well, each and every time that they use it – it is never less than good.
2. **More completely** – people find that your product or service meets more of their needs and wants than anybody else's product or service.
3. **More economically** – it costs less (overall) for people to use your product or service than for them to use somebody else's product or service – this could be because your offering is cheaper, but it could also be because it does more, or because it is easier for them to buy.
4. **More conveniently** – people can get your product or service at the times they need them, in the quantities they need them, and in the place they need them, without going out of their way, and any product is easy and ready to use.
5. **More enjoyably** – people like you or trust you or find that the experience of buying your product or service from you is something that brightens up their day and makes them feel good about themselves.
6. **More ...** – what else do you want to add?

Your competitors will be meeting the same needs by selling similar products or services. Your product or service doesn't have to be 'better' than your competitors' on all of these things at once BUT it does have to be 'better' on enough of them to be seen as 'better' overall – and the 'better' it is, the more successful you are likely to be.

The first step for you is to work out exactly how good your product or service has to be to be 'better'. To do this you need



Exercise 8

How can you make your product or service to meet your customer's needs:

More consistently?

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More completely?

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More economically?

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More conveniently?

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More enjoyably?

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And 'better' in any other way?

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to talk to your potential customers, and you need to look carefully at your competitors. This is your 'Market Research'.

Start by identifying very clearly who your customers will be. The following questions will help you to think this through – please use them to think carefully about your customers. Use each question to try to widen your thinking and open your mind to new ideas. Use the questions also to spot where your first ideas may be unrealistic, and where you may need to find easier or simpler answers.

In **Exercise 9** write down a list of your answers for each question:

1. Whose needs will your product or service be fulfilling? Who are all the people who have this need? Is there anything common about them (things like age, location, gender, wealth) – What is your 'customer profile'? A 'customer profile' is a word picture that describes your most likely customers – for example, the customer profile for this book is men and women living in the rural areas of the UK who are considering setting up an enterprise.
2. Which of these people do you think are the most likely customers for your product or service, and why?
3. How far away from your place(s) of business do they live or work? Do other people with the same need live or work further away? Where will your customers come from?
4. How do they currently have their needs met? From whom or where do they get what they need – and in what way?

Please note:

The exercise on the preceding page helps you to understand what 'better' means for you. But harsh experience has taught us that it does not always mean 'better' to our customers.

We will do similar exercises later in this chapter, but only after you have spoken to your customers about them. It is their view that will determine your success.

Exercise 9

Whose needs will your product or service be fulfilling?

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Which are the most likely customers for your product or service?

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Where will your customers come from?

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How do they currently have their needs met?

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This last question will help you to identify your 'competitors' – the people who currently meet the needs of your customers. They may do so poorly, but the truth is that if they are still in business they must have got some things right; so there must be some experience that they have that you can learn from – and it's normally cheaper to learn from somebody else's experience than from your own!

The second step in **Exercise 10** is to identify your competitors and to try to understand what they have already learned. Make a list of those who currently meet the needs of the potential customers that you want your product or service to reach. And then aim to find out what these competitors have learned.

Figure out how they work e.g. if they're a café or shop, visit them; if they've got a website, explore it and look for the things that make them successful. Answer these questions:

1. How do they appear to get their customers to talk to them – what do they do to make themselves known and attract their custom.
2. How do they treat their customers when they are speaking to them – what do they talk about, and what do they say that seems to convince their customers to buy from them?
3. What is similar about different competitors' products or services, and how do they differ?
4. Are there clues as to why some of your competitors are more successful than others? Is it because of differences in the products or services they offer - if so, what are the differences? Is it because of differences in how they deal with the customers and provide their products or services? (And if so, what?) Or is it both?
5. Who would you buy from, and why?

“ Experience is a hard teacher – She gives the test first, and the lesson afterwards! ”

Source unknown

Exercise 10

What have my competitors got right?

Who are your competitors?

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How do they attract customers?

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How do they treat their customers?

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Similarities between competitors?

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Differences between competitors?

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Clues to success?

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Please feel free to continue on a separate sheet of paper.

Finding the clues to beating your competitors fair and square usually lies in **gaining a better understanding of your customers than your competitors** have. You need to find the customers that are not won-over by price alone, and try to understand what other factors form part of their decision of 'what to buy' and 'who from'. You need to understand what they see in a 'better' product or service that encourages them to pay a bit more. The best way to do this is to talk to them and ask them yourself.

This may not always be possible so you may need to ask people who know them better than you do. For example, if your competitors' products or services are reviewed online (e.g. on Amazon, TripAdvisor, checktrade.com, Yell etc.), reading customer reviews is a great way to find out what they appreciated and what could be improved. If your competitors have physical premises such as a shop, stall or restaurant, wait nearby until a customer has just bought something and then try and start a conversation. Some good questions to throw in at different times may be:

1. "What do you look for when you are trying to buy a good ... (whatever the product or service is)?"
2. "Is that the best place to buy them from around here? ... What makes you say that? What do you like or dislike about your current supplier?"
3. Or "I have been thinking about doing something like that myself, and I was wondering how I could do it in a way that was better – do you mind if I ask you if you have any ideas on that?"

The answers you get are likely to concern a number of things, in particular price, quality, and ease of getting what you want. Remember to write down everything you learn because the information is so important.

When you have a complete list – **Exercise 12** - of what your customers perceive as 'better', use this to help you to describe exactly what your product and service needs to be like if it is to bring enough customers to you for you to be successful.

Note: Please do not attempt this exercise until you have **actually spoken to real customers**, or you will simply be repeating the exercise on page 16.

Exercise 12

Customer research

'Better' as my customers see it:

What is important to my customers?

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What do I have to get 'right' if I want to be better than my competitors?

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How many customers will be 'enough'?

One way to answer this is to think about and calculate, at **Exercise 13**, how big the market is for your product - the 'Total Accessible Market'. Decide what fraction of it - your Market Share - you need to make your business work, and work out whether this is achievable.

If you're selling to the whole country the question 'is there a big enough market?' won't affect you unless your product is very specialist. But if you're targeting a smaller, more local market e.g. a community shop with an existing competitor, you'll need to work out whether the size of the market is going to limit the growth of your company.

Use the box on the right to help you to give it an initial think through. Don't worry if you're not sure about the answers as you are likely to need to revisit them when you have completed Chapter 5 - once you have a clearer idea of what 'revenue' you need, and how quickly you need it.

And now the big question. Do you think you can find a way to produce products and services that your customers need, at price that they will be willing to pay, in the quantities you will need to deliver them? If the answer is 'no', you need to return to the previous chapter and pick another business idea. If the answer to this question is 'yes', the next big question is how do you get your future customers to know about and use you. This is your 'advertising strategy'.

* You may need to estimate this using local statistics e.g. "in a 20 mile radius of me there are 100,000 people, of whom 10,000 meet my customer profile (say women aged between 40 and 60) and of whom 10% regularly use my service = 1,000 customers"

Exercise 13

Calculating the Market

1. Total Accessible Market

How many customers, approximately, are there for your product or service in the areas you can physically serve? *see below

How many times a month do they tend to buy your product or service, or a similar one from your competitors?

How much do they spend on the product or service each time, on average?

How much is the total market worth in your area per month?
(All three numbers above multiplied together)

2. Market Share

How much money in sales do you need coming in every month to make your business work?
(This is called your revenue and is the total of all your sales [not your profit]; you may need to revisit your answers after completing Chapter 5 - but for now just take a rough guess at it)

What proportion is this of the total amount the market is worth per month?
(Multiply the number above by 100 and divide it by the last number in 1 above)

3. Competition

How many competitors are serving the same areas as you will be serving?

What proportion of the market does each competitor have currently?
(This is likely to be a range, but you may not actually know the answer - in which case, simply divide 100 by the number of competitors to get a rough average)

How realistic is it that you will be able to get the share of the market you need?

4. Expected Sales Growth

How do you see your sales increasing over the first six months towards your market share?

mth1 *mth 2* *mth3* *mth4* *mth5* *mth 6*

.....

If you have got this far you should have a clear picture of what you are going to do, how well you are going to need to do it, and you are fairly confident that you can find a way to make that happen. So the next step is to plan this out so that you know exactly how you will produce your products or deliver your service.

Let us start by trying to understand and list, in order, all of the things that will need to happen right up to the point that you have a happy customer. In business this is called the 'process flow'. It is a list of the activities that need to happen, one after another, from the starting point when things first come into your business, right up to the point that your product or service is delivered to the customer. The 'process flow' can be represented in a Process Flow Chart like the one on the right.

The following real example of a gourmet biscuit-making business may help to explain this more clearly:

1. Buy ingredients: flour, sugar, spices, ...
2. Measure out ingredients according to the recipe
3. Mix ingredients into the biscuit dough
4. Roll out the dough on the table to a thickness of five millimetres
5. Cut out biscuits using the shaped cutters, and lay them on the baking trays
6. Place the baking trays in the oven
7. Turn the baking trays regularly, and remove them when the biscuits are cooked
8. Allow the biscuits to cool
9. Pack the biscuits into bags
10. Load the packed biscuits onto the delivery vehicle
11. Deliver the packs of biscuits to the customers
12. Collect payment from the customers

Note: For simplicity, the following examples are for products rather than services. Service examples can be found in Appendix C on page 53.

Buy ingredients: flour, sugar, spices, baking powder

Measure out ingredients according to the recipe

Mix ingredients into the biscuit dough

Roll out the dough on the table to a thickness of five millimetres

Cut out biscuits using the shaped cutters, and lay them on the baking trays

Place the baking trays in the oven

Turn the baking trays regularly, and remove them when the biscuits are cooked

Allow the biscuits to cool

Pack the biscuits into bags

Load the packed biscuits onto the delivery vehicle

Deliver the packs of biscuits to the customers

Collect payment from the customers

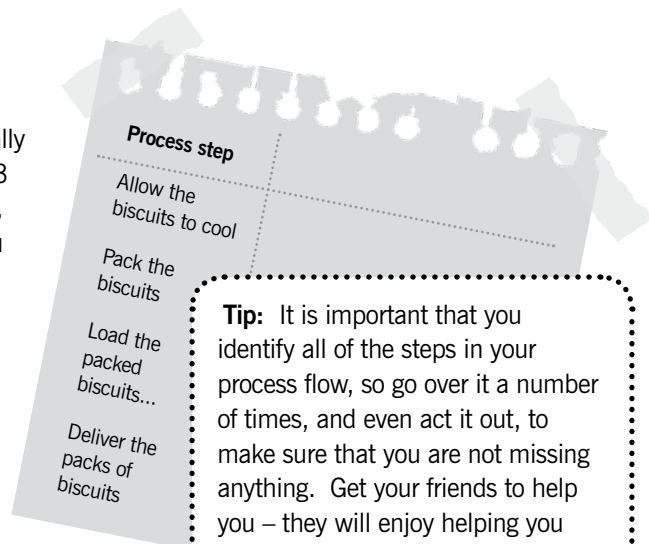
You can now use your Process Flow steps as a powerful tool to make sure your business is totally customer focused. Use the template on page 23 **Exercise 15** – though as this may be a long list, you may want to copy several sheets before you start.

For each Process Step think through what you need to produce the 'better' product or service that your customers need. The three columns to the right of your process steps are labelled:

1. Doing 'better'
2. Tools and equipment
3. People and skills

Take out your list of what your customers mean by 'better' from **Exercise 12** and for each Process Step that you have written down consider what you will need to do in that Step to make your product or service 'better' in the ways that you have described. Write your answer in the column headed 'Doing better' beside the Process Step. Note: an alternative way of doing this, called QFD, is explained briefly in Appendix D.

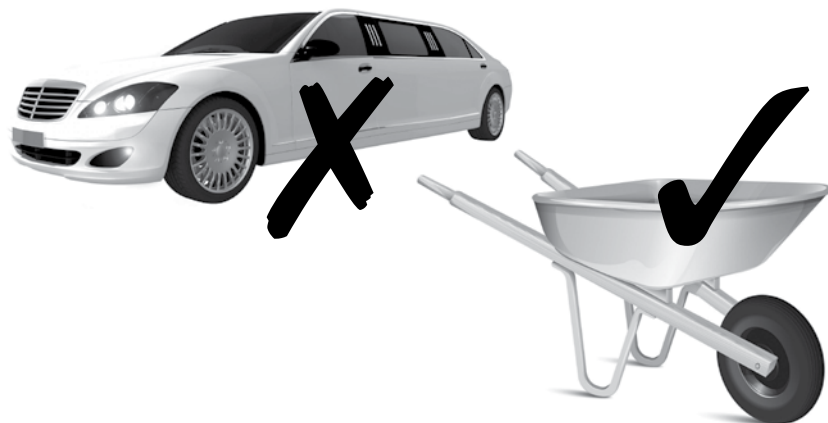
Next, think through what 'tools and equipment', and what 'people and skills' you will need to do that Process Step as well as you have described, and write the answers to this in the last two columns, also in line with the Process Steps. As you do this part of the exercise please bear in mind that you will have to pay for all of the tools, equipment, people and skills that you need, so keep things as simple and as cheap as possible, but not so cheap that it becomes unreliable - sometimes the cheapest things can work out the most costly if they are not reliable or fully working. Make sure that what you buy is suited to the task.



Tip: It is important that you identify all of the steps in your process flow, so go over it a number of times, and even act it out, to make sure that you are not missing anything. Get your friends to help you – they will enjoy helping you to act it out – and don't treat any question as silly, because it could be the most important thing that you haven't thought of.

Process Step	Doing 'better'	Tools & Equipment	People & Skills
Allow the biscuits to cool			
Pack the biscuits	Do not chip or break	Rack of shelves & wire trays	Careful packer
Load the packed biscuits		Packing table	As above
Deliver the packs of biscuits	Deliver on same day as cooked	As above	As above
		Modified delivery vehicle	Driver

Tip: If you can observe your competitor's businesses, or if you know someone who has observed them, understanding their process flow may help you to develop your own.



When you have refined your list down to what you really need move to **Exercise 17** to think through where you will operate and store it all – you need to consider what space, buildings and supplies that you will need. Can you set aside some space and start by working from home? Or do you need to look online, or enquire locally to find somewhere that meets all the needs of your process flow? Make sure you find out the rent, the business rates (note this is not the same as ‘rateable value’) and roughly how much heat, lighting and water will cost. Will it need any work? e.g. gas connection, phone line or high speed broadband, better lighting, redecoration? Does it have the correct usage code for your business – you can apply to your local council to get this changed e.g. retail to café. Any of these can cause real delays to getting up and running. This becomes critical if you have a business loan you’re paying back each month or any other fixed costs like rent you can’t get out of.

And now the biggest step of all, you need to **plan** it all out. You need to work out where it is all going to be, how you are going to get it all together, and how you are going to get it running.

You need to make a list of everything you need to do to set up the business, prepare any buildings you might need, obtain and put in place the tools and equipment, recruit and train the workers, buy your first lot of supplies, attract the attention of your customers, and sell them your first batch of products or services.

Actions	Dates	£
Request gas connection	1 May	135
Install oven	9 May	0
Install second hand steel rolling table	2 May	60
Buy food mixer	1 May	85
Buy trays	3 May	48
Build shelves for cooling	4 May	20
Modify delivery vehicle	7 May	150
Get gas connected	3 Jun	30

Exercise 17

Initial Planning Questions

Where can I get the facilities e.g. premises, tools and equipment I need?

.....

.....

.....

.....

.....

Who will I need to help me operate and run my business? Where will I find them?

.....

.....

.....

.....

.....

Who will I get my supplies from? And do I need to have a back-up?

.....

.....

.....

.....

.....

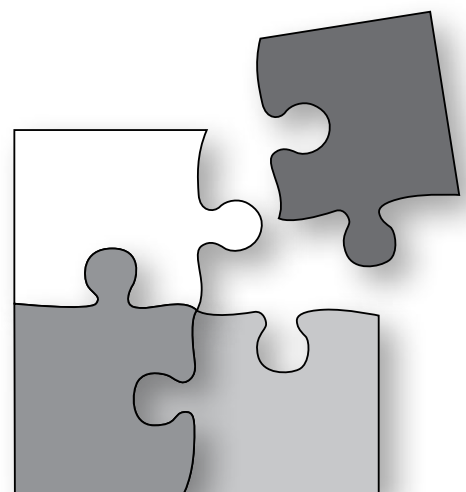
4. Income & costs

Mr Micawber, a famous character of the popular 19th Century novelist Charles Dickens, had a very simple but essential view of business. In the book 'David Copperfield' he outlines his thoughts something like this: "Income: twenty shillings, expenditure: nineteen shillings and sixpence, result: happiness. Income: twenty shillings, expenditure: twenty shillings and sixpence, result: misery!"

In short, for our businesses to succeed, 'income' - the money coming in - must be more than 'expenditure' - the money going out. It is so simple a principle that it is easily overlooked - at a cost of many businesses, and the misery of many people. This section looks at whether income will be more than expenditure for your own business. Doing it on paper is much cheaper and will ensure that you set off with a business that can work in terms of 'finance'.

Finances can be a little difficult at first, because of all the different categories of money that there are in a business, but it is very important that you understand them and get it right if your business is to succeed. More businesses fail because people do not understand and control their finances than for any other reason. Please don't delegate your finances to someone else - by all means get help, but you need to understand and have a good grip on what's coming in, what's going out, and when.

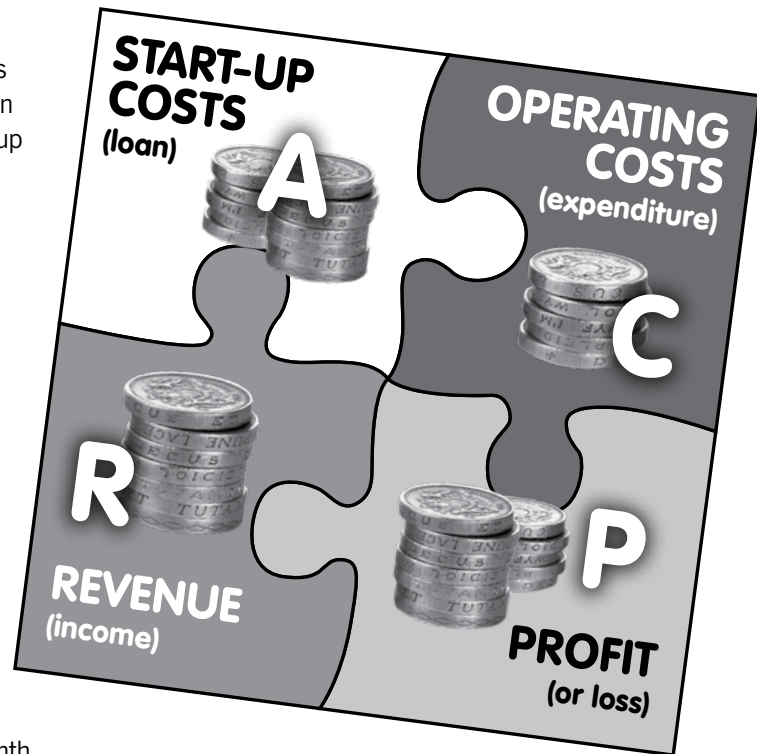
Working through the finances of your business is a bit like working on a home-made jigsaw puzzle where you have to whittle away at the pieces in order to get them to fit together. When you first go through this chapter it is quite likely that the pieces won't fit together at all, and you will have to go back through the chapter a number of times, adjusting each of the pieces as you go, until they make a complete picture with no gaps. If you can make a complete picture with no gaps, then you stand a good chance of your business succeeding, but if you cannot, then you will probably need to go back to chapter 2 and pick another idea to work through.



There are four main pieces to your jigsaw puzzle – four things that will determine whether your business is likely to make money or not; whether your business is 'viable'.

The four pieces are:

1. **Your start-up costs (A):** These are the costs of setting up the business before the business can pay its own way. They include your initial set-up costs (the figure you calculated at the end of the last chapter), and any additional money you need to operate up until you start getting enough money in from your customers to cover your costs. You may have savings or you may need a loan of some sort – either from friends, relatives or from a local loan scheme, or from a bank – which will need to be repaid out of your profits.
2. **Your operating costs (C):** these are the monthly costs to your business of making products or delivering services – it is everything you spend, every month, simply to stay in business.
3. **Your revenue (R):** this is the monthly income into your business from people paying you for your products or services.
4. **Your profit (P):** this is the money you have left over after you have received all of your revenue, and paid all of your costs out of it. If it is a minus number (your costs are bigger than your revenue) this is a loss – and it is bad news for your business.



Finances are not complicated, but they are easy to get lost in. To help you find your way about this section uses letters (such as the A, C, R and P on the diagram) so that you can more easily see where the various figures come from and what they relate to.

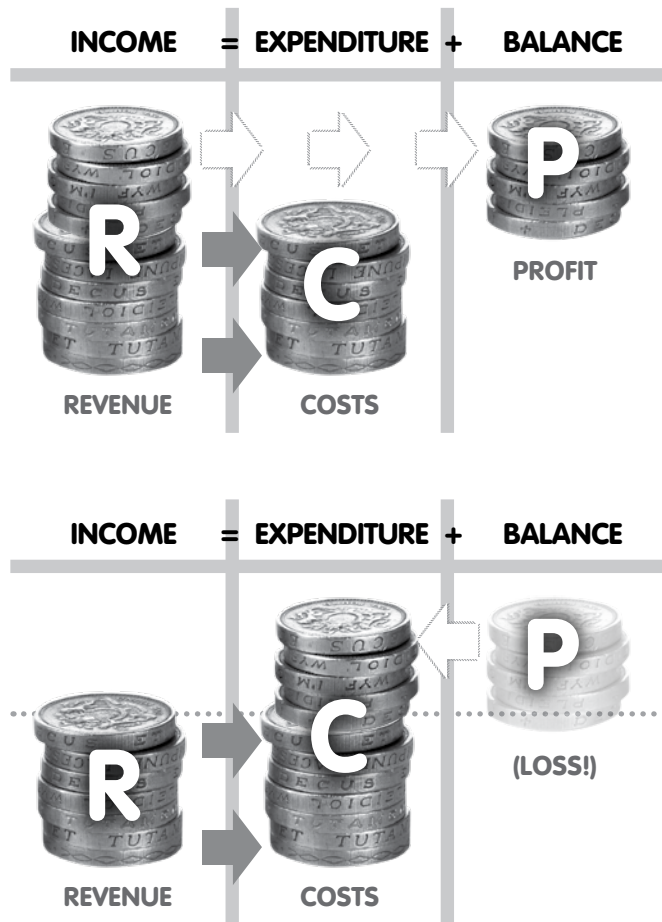
To be viable your revenue (R) must be 'significantly' more than your operating costs (C). What we mean by 'significantly' is that the money left over after you have paid your costs out of your revenue should be at least enough to cover your monthly loan repayments in respect of your start-up costs (A) and to cover the minimum you need to withdraw to live on.

If your revenue (R) is less than your operating costs (C) you will be making a loss, and this will drain any money that you have until you are no longer able to meet your costs (or your loan repayments). You will go into debt, be unable to buy what you need, and your business will collapse. (See the diagram on the right).

Most new businesses do have a few months at the start where they are steadily building up to profitability, and their owners need to know how long this might take and how they will survive until then – you will cover this on page 39.

You might be able to see from the pictures above that your costs do not have to go up a lot, or your revenue to go down by much, before your profit disappears and your business is in trouble. This is why understanding and controlling your business finances is so important.

Start by working through your business idea bit by bit, to see how things will work out for you. But please don't be alarmed, if when you first work things out, it comes out as a loss – this is usual and can often be put right by some of the 'whittling' of the jigsaw puzzle pieces we referred to earlier.



Jesus tells a business parable

The parable of the talents in Matthew 25: 14-30 is a story Jesus told to teach us how God isn't pleased with people who are too scared to take any risks with money. God wants you to take some investment risks with the money and talents you have been given and use them to make more money than you started with.





Let us start with the nice piece; revenue (R).

To think this through in **Exercise 21** you will need to identify what we call a 'basic unit of sale' or 'unit' for short – this is likely to be one item of product (e.g. a pack of biscuits, or a kilogramme of

fruit, or a pair of curtains), or one average delivery of service (e.g. an average length dog walk, or cleaning an average house, or a night's Bed and Breakfast).

Next you have to estimate how many of these 'units' you expect to sell each month, and how much you expect to sell each 'unit' for.

This is where your market research will be useful. What did you learn from speaking to customers and observing competitors that will guide you on quantity and price? How many 'units' were your competitors selling per hour, or per day, and how much were they being paid? And in your conversations with customers: how many do you think would buy from you, how often, and at what price?

Use your market research to think through how many 'units' you expect to sell each month and the price you expect to sell them for, and write your answers to these questions in the box on the right.

If your business provides a number of products or services, you may need to do this for each item, and then add the results for revenue (R) all together – see the Farmhouse Bakery example on the right.

Remember this is only our first pass – we may need to revisit this to ensure we get all the jigsaw pieces of our business finances to fit properly.

Revisiting Market Share:

Check back to Exercise 13 to make sure that you relate the revenue you calculate here with the market share you calculated there.

Exercise 21

My 'basic unit of sale' is:

U

e.g. one pack of biscuits

My selling price will be:

W

e.g. £2.50 per pack

My monthly sales quantity will be:

Q

e.g. 400 packs

Our monthly revenue (R) will be our selling price multiplied by our monthly sales quantity ($R = W \times Q$):

R

e.g. $£2.50 \times 400 = £1,000$ per month

Farmhouse Bakery sales forecast

	U	W	Q	R
Biscuits	pack	£2.50	400	£1,000
Cakes	cake	£8	100	£800
Cookies	box	£6	200	£1,200
TOTAL				£3,000

You have just calculated how much it costs to make one unit of product or service if everything were to go perfectly. Now we need to be realistic about how often things will go wrong. Real costs will be higher than the 'ideal' cost because of mistakes, or damage, or age, or weather, or people not turning up for appointments e.g. driving lessons. You will need to adjust your costs per unit you actually sell to account for this.

To do this simply, use the following steps:

1. Calculate the cost to produce 100 'units' in ideal circumstances by multiplying the ideal variable cost per unit (I) by 100.
2. Estimate how many of the 100 units will probably not be sold, due to damage, waste, people not turning up for appointments (in the case of services) or other reasons e.g. providing free samples. Then subtract these from the 100 to calculate how many saleable 'units' you will produce in every hundred (G). It is important that you record G as only the 'saleable' units in every 100, because you will need to apportion your costs of producing 'waste', whether intentional or not, over the saleable units.
3. Divide the cost per hundred 'units' (H) you calculated in step 1 by the number of good 'units' per hundred (G) you calculated in step 2 to arrive at a more realistic cost per 'unit'.
4. You can now calculate your likely variable costs per month (V) by multiplying the real costs per unit figure you wrote in the line (X) by the monthly sales quantity for a typical month in Exercise 13 (Q).

Tip: Think of examples where you might pay out towards a unit of sale but not receive any revenue. Some of these could be deliberate e.g. offering free tasters of your product or taster sessions of your service!

Exercise 27

My 'ideal' cost for making 100 units is:

$$H = (100 \times I) = \dots\dots\dots$$

I can be found in exercise 26

The number of 'saleable' units (those you expect to sell at full price) I expect out of every hundred is:

$$G \dots\dots\dots$$

This figure (G) is technically known as the 'percentage yield' of your process.

My realistic costs per unit then is my cost for producing one hundred divided by the number of 'good' units that I can sell:

$$X = (H \div G) = \dots\dots\dots$$

Both H & G can be found above

My variable costs per month will be:

(note this is just for one type of sale – you'll need to add up V for each type of product or service – see example below)

$$V = (X \times Q) = \dots\dots\dots$$

X can be found above, Q in Exercise 13

It is very important that you consider all of the costs, both fixed and variable – anything you overlook can quickly turn what looks like a ‘viable’ business into one which quickly fails. Things that often get forgotten are maintenance costs, replacement costs, legal costs, security/insurance costs, marketing and publicity costs, costs of offering discounts on products or services, and waste costs. It is always worth looking back over your figures - and getting a friend to help you - to see if there is anything you have missed out.

Sometimes labour costs are included in these variable costs – if the amount of labour you pay for goes up with the quantity produced then it is likely to be a direct labour cost and can be included, e.g. if you pay people per punnet of strawberries picked. But if you are paying someone regardless of the quantity produced, e.g. a secretary, their labour is a fixed cost, or if you are the labour, then you may choose not to include the cost here.

You can now calculate your operating costs by adding your fixed costs (F) to your variable costs (V). ($C = F + V$)

Exercise 28.

Farmhouse Bakery sales forecast with variable costs

	U	W	Q	R	X	V
Biscuits	pack	£2.50	400	£1,000	£0.25	£100
Cakes	cake	£8	100	£800	£0.95	£95
Cookies	box	£6	200	£1,200	£0.50	£100
TOTAL				£3,000		£295

Worked example of realistic variable costs:

In our biscuit factory, each pack of ten biscuits (our unit of sale) produced (good or bad) costs us 23 pence (£0.23) in terms of raw ingredients. Out of every day's production of five hundred biscuits produced, an average of fifteen get broken, one tray (of about 20 biscuits) in every fifty gets overcooked, and about two packs (of ten biscuits) in every forty go stale before they can be sold.

This means that for every 100 sales units (packet of 10 biscuits) i.e. 1,000 biscuits, costing £23 in total (**H**), an average of three packs get broken ($15/500 = 3\%$ or 3 packs per 100), two packs get burned ($1/50 = 2\%$ or 2 packs per 100), and five packs go stale ($2/40 = 5\%$ or 5 packs per 100), which leaves 90 packs per 100 as saleable, or 90% 'yield' (**G**). So now for £23 of cost we get 90 packs of biscuits we can sell, so each pack of biscuits realistically costs us $£23 \div 90 = £0.25$ (or 25 pence) (**X**) – the cost goes up slightly from the 23p ideal cost to 25p realistic cost to take account of wastage.

We typically sell 400 packs a month (4,000 biscuits), which means our variable costs (**V**) for biscuits are £100 per month.

Exercise 28

My operating costs per month will be:

$$C = (F + V) = \dots\dots\dots$$

V can be found in Exercise 27 and F can be found in Exercise 24

5. Profit, cashflow & breakeven

Now the important test. Is your business idea 'viable'? Do we need to adjust the various jigsaw puzzle pieces of our model to make them fit. (Remember not to be alarmed if they do not fit – it is very likely that you will need to do some 'whittling' before they do.)

Your 'operating profit' (P) holds the answer to the question of whether your business idea is viable – it is your monthly revenue figure (R) less your monthly operating costs (C). Take your monthly revenue figure (R) and subtract your monthly operating costs (C) and write the number in the box on the right in **Exercise 29** ($P = R - C$).

If your answer is a negative number you need to look at how you can reduce your costs (C) or increase your revenue (R).

If your answer is a positive number then that's a good start. But it's not enough for the answer to simply be positive – your profit needs to pay for:

- **Any loans** you have
- **your business development costs**, such as extra equipment, bigger stocks of raw materials or goods for sale.
- **your salary** (sometimes called 'owner's drawings' if you are a sole trader, or taken out of profits as 'dividends' if you set up a private limited company). You may need to draw less from the business in the early days – Appendix F has a survival budget planner you can use.
- **your equipment replacement costs.**

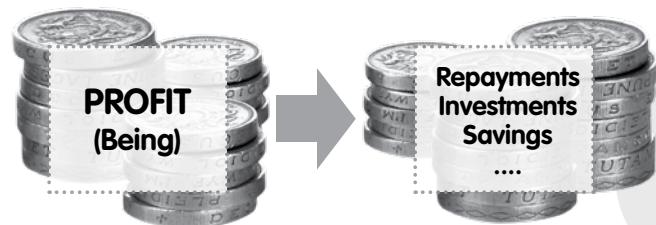


Exercise 29

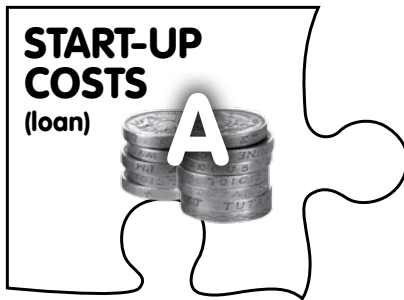
My operating profit per month will be:

$$P = (R - C) = \dots\dots\dots$$

R can be found in Exercise 21 and C in Exercise 28



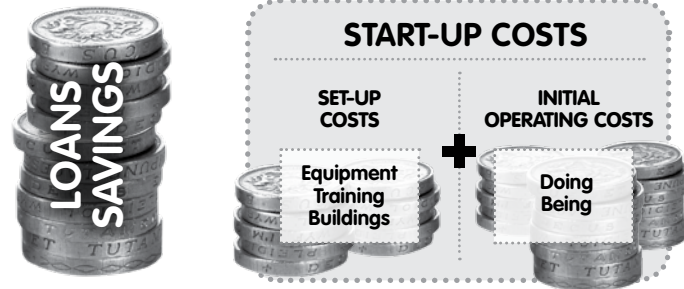
Note: By not including your own salary in the fixed costs you can see how much profit the business is generating, and whether it's enough to cover your needs. However if you are setting up a social enterprise and applying for grants, you may need to include your own salary in the fixed costs.



Before you decide whether to start this business or not, you need to work out how much money you'll need available at the start – your start-up costs. You may need to borrow the money, or know whether your savings are enough.

Your start-up costs are not just the set up costs you worked out in Exercise 18, but also enough money to keep you going and pay your costs (your operational costs – fixed and variable - plus any loan repayments), until the point at which your business has grown big enough to cover those costs by what your customers are paying you.

If you also need the business to provide you with an income right from the start you'll need to calculate the minimum you can survive on - your Survival Budget - bearing in mind any other income you or your household have coming in to help. There is a Survival Budget planner in Appendix F. The start-up costs will need to include enough to cover these withdrawals as well.



The best way to work out your start-up costs is to do a 'cashflow forecast'. Cashflow is simply all the cash flowing both into and out of your business. This will be notes and coins in your cashbox, and cheques and bank transfers when they actually clear on your bank account.

Think about how it appears on your bank statement – you have an opening balance, then it shows what money came in, what money went out, and a closing balance for that statement (which of course becomes the opening balance for the next statement). A cashflow statement is a bit like a series of bank statements, lined up side by side:

Big Bank	
Jan Statement	£
Opening balance	80
Petrol	-15
Table & chair	-10
Closing balance	55

Big Bank	
Feb Statement	£
Opening balance	55
Equipment	-50
Closing balance	5

Big Bank	
Mar Statement	£
Opening balance	5
Cash deposited	+20
Closing balance	25

	A	B	C	D
1 CASHFLOW		Jan Actuals	Feb Actuals	Mar Actuals
2 Opening Balance		80	55	5
3 Sales Revenue		0	0	20
4 Set up costs		10	50	0
5 Rent		0	0	0
6 Delivery costs		15	0	0
7 Closing Balance		55	5	25

A cashflow **forecast** is your best guess at what your bank statements will look like in the future, so that you can forecast whether the business will have enough money to pay its bills. Timing is everything – if it runs out of cash your business could fail, even if it is profitable!

A cashflow forecast should be used to work out the start-up costs of your business, so that you can ensure you've got enough savings, or that you borrow enough (but not more than you need). **The amount you need is the worst negative position of the closing balance.** You might like to think of this as the biggest overdraft situation in any of the months.

To draw one up, you need to know two things:

1. **What** is coming in or going out
2. **When** each flow is likely to happen

Watch out for:

- **Sales revenue** – you may need to offer your customers credit terms of 30 days to pay their invoices, or even longer. Your work may be paid in instalments when stages are completed, or you may have to wait for lengthy processing, or funds may be withheld in other ways.
- **Supplies** – you may need to pay deposits upfront for equipment, premises rent or supplies – you'd be very lucky to be given any credit yourself at the start of your business so you will probably have to pay for things immediately.

You can avoid having a cash crisis by regularly doing a cashflow forecast – spotting the problem ahead of time allows you to take action – e.g. get a loan, negotiate a delay in payments to suppliers, or collect your cash in quicker.

	A	B	C	D	E	F	G
1	CASHFLOW	Jan Actuals	Feb Actuals	Mar Actuals	Apr Forecast	May Forecast	Jun Forecast
2	Opening Balance	80	55	5	25	5	-30
3	Sales Revenue	0	0	20	25	15	60
4	Set up costs	10	50	0	0	0	0
5	Rent	0	0	0	30	30	30
6	Delivery costs	15	0	0	15	20	25
7	Closing Balance	55	5	25	5	-30	-25

In this example, the business was started with savings of £80 which covered the first three months, but when they did their forecast for the next 3 months it wasn't looking quite enough – they forecast going into their overdraft by £30 at the worst, which would be in May. They need to borrow £30. This situation has arisen because their sales revenue has been delayed, and they had to start paying rent. If they could speed up their cash collection they might not need to borrow the £30.

Tip – cash collection

Invoice your customers promptly (e.g. inserted with each delivery), to make sure you are not waiting to be paid for any longer than necessary. Keep a record by customer and month due so that you can see what's due in which month.

The business plan in Appendix H includes a detailed sheet for you to map out your cashflow, but as a basic exercise use the box below to think through your monthly finances:

In order to think clearly about timings if there is a delay in receiving your sales revenue, it is often helpful to forecast when you will make (and invoice) your sales on one line, and then below it when you will actually receive the money.

The balances are usually shown at the bottom of the analysis.

What is the worst closing balance? These are your start-up costs. Once you know them you can see if you need a loan. If you do, check the Sources of Finance in Appendix E.

Exercise 31

Exercise 31: Basic cash-flow analysis

Month		1	2	3	4	5	6
Sales units	Q						
Sales Revenue invoiced							
Sales Revenue received	R						
Set up costs	S						
Fixed costs	F						
Variable costs	$V=Q \times X$						
Loan repayments	L						
Cashflow in month	$Cf = R - S - F - V - L$						
Opening balance	Ob						
Closing balance	$Cb = Ob + Cf$						

Write down your expected sales growth from Ex 13 in the row Sales Revenue invoiced (the Sales units row Q is included for you to use if you find it helpful). Now adjust it for any delays you anticipate in receiving the cash, and put your answers in the row Sales Revenue received (R).

Fill in your set up costs (S) from Ex 18 in the months you expect them to be spent.

Fill in your monthly fixed costs (F) from Ex 26

Fill in your monthly variable costs (V) from Ex 29 - this will be your monthly sales units (Q) x realistic cost per unit (X) and will vary each month depending on how many sales units you make that month.

Estimate your loan repayments (L) - they will probably start in month 2 (if unsure, estimate as 1/10th of your loan).

The Opening balance (Ob) for month 1 is how much cash you are starting the business with.

Calculate the Cashflow (Cf) in each month - this is $R - S - F - V - L$

Under Closing balance (Cb) write down how much will be left at the end of each month - this is the Opening balance plus the Cashflow in that month. The Closing balance of one month becomes the Opening balance of the next month.

“Turnover is vanity!
Profit is sanity!
But cash is reality!”
Simon Lasky

Tip: cashflow layout

You can design your cashflow with any number of rows so you can break down your income and costs into useful categories.

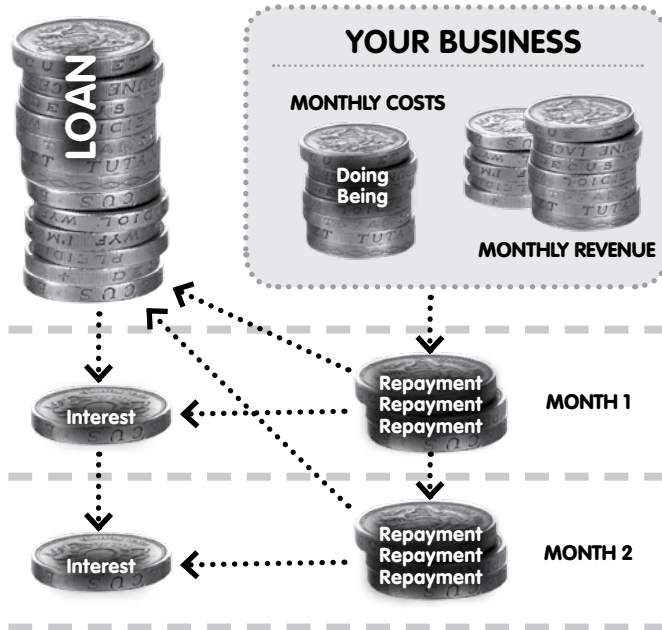
Exercise 32

My start up costs are:

A =

(these are my set up costs (S) plus the money to keep my business going until its income is enough to pay its bills)

If you need a loan your loan repayments will depend on a number of things – the amount of money you borrowed, who you borrowed it from, how long you have borrowed it for, the interest you are being charged, and how the repayments are calculated. Each repayment will include interest, with the rest going towards chipping away at your loan capital. Most lenders expect you to begin paying the money back the month after you borrow it. The longer you have a loan (e.g. 36 rather than 12 months), the more interest you end up paying, but the more manageable the monthly repayments are.



Remember that your profit, after fixed and variable costs, needs to be able to do four things:

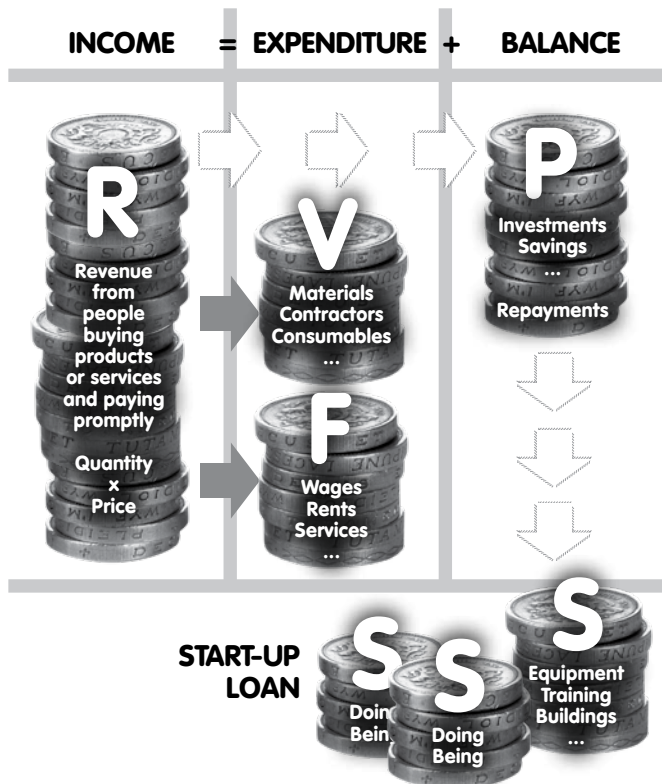
1. Provide you with a survival income
2. Meet your loan obligations (whatever they may be)
3. Enable you to maintain “capital” equipment, and
4. Enable you to re-invest in more equipment/property/ people/stock etc. to grow your business.

Tip - Loan repayments
Banks can give you sample loan repayments, or there are online calculators e.g. on www.moneysavingexpert.com

If not, now is the time to start ‘whittling’ the pieces of your jigsaw to make them all fit together.

Let us start by looking at the different pieces of the jigsaw all in one place.

The goal of whittling is to make your profits (P) greater than your loan repayments which depend on your start-up costs (A) – this gives us the options of reducing (S) our set-up costs or increasing (P) our profits. In turn, increasing (P) our profits gives us the option of increasing (R) the revenue we obtain from our customers, or reducing (V) the costs of doing our work or reducing (F) the costs of being a business.



At this point, you should have a breakdown of each of these things, and all you need to do is work through each one, in **Exercise 33**, to identify item by item where you might improve things. The following points may help you to do this:

1. Increasing the revenue (R) comes from selling more of your products or services, or selling the same but at a higher price. Think about how where you might find more customers or new customer groups; or what you might offer those customers that will make your product or service more valuable to them, and therefore worth a higher price; or whether you could also sell anything else to your customers. (Remember to check out your conclusions through market research).
2. Reducing the costs of producing our products or services (V) can be achieved by cutting the amount of wastage, or by increasing the efficiency of your labour e.g. utilising time better or using flexible contractors when work is variable, or by negotiating discounts for the materials and supplies you are using.
3. Reducing the costs of simply staying in business (F) can be achieved by only employing the full-time staff you need, by not renting premises or equipment that is more expensive than you need, and by keeping non-production activities to a minimum.
4. Reducing the amount we needed to borrow to set-up in business (S) can be achieved through using second hand or borrowed equipment and premises wherever possible, by negotiating a loan repayment holiday for the first few months if possible, and most importantly by keeping the time between taking up the loan and the first customer payment to an absolute minimum.

Exercise 33

What ideas do you have for:

Increasing the revenue (R)?

.....

.....

.....

.....

.....

Reducing the costs of 'doing' (V)?

.....

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.....

.....

.....

Reducing the costs of 'being' (F)?

.....

.....

.....

.....

.....

Reducing the costs of setting up (S)?

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.....

Reducing time to get money in (T)?

.....

.....

.....

Please feel free to continue on a separate sheet of paper.

With this in mind we encourage you to go back through your figures, keep your costs to a minimum, do things as quickly as possible, borrow and repair wherever possible, buy only what is essential and only hire or contract the people you need and can trust. Through perseverance we hope that you can whittle the pieces of your own jigsaw puzzle until they fit.

Before leaving the area of finance however there are two important issues to look at. The first concerns 'break-even', and the second concerns raising finance to start up your business.

What is the minimum amount of goods or services you need to sell, to cover your costs, i.e. how much do you need to sell to break-even? As an example – if your fixed costs (rent etc) are £500/month and you sell packs of biscuits at a profit* of £1/pack, you need to sell 500 packs each month to break-even. Any more and you're in profit, any less and your business is not yet viable. Knowing your break-even can be a useful yardstick to monitor how well the business is doing easily.

So, the break-even point is the minimum quantity of product or services that you need to sell (at the planned price) in a month, to cover all of your costs and any loan repayments. To calculate the break-even point, subtract the real variable costs per unit (X) from the selling price (W) and this will tell you how much each sale will contribute toward meeting your monthly costs. By dividing this figure into your fixed costs you will know how many sales you need to cover these, and by dividing it into the value of the loan repayments you can find out how many further sales you will need to cover your loan. The two figures added together will tell you the total (break-even) sales you need per month during start-up. See **Exercise 34**.

**technically, this is the 'gross' profit generated by each unit, which is called 'contribution' as it contributes to paying your fixed costs, leaving you with your 'net' profit*

Exercise 34



What is my break-even point during my start up period:

How much money does each unit of sale contribute - selling price per unit, less real costs per unit: (W - X)

$$Y = (W - X) = \dots\dots\dots$$

W can be found on page 33 & X on page 38.

How many do I need to sell to cover my fixed outgoings each month?

$$M = (F \div Y) = \dots\dots\dots$$

F can be found on page 36 & Y above.

What are my likely loan repayments each month?

$$L = \dots\dots\dots$$

How many more do I need to sell to cover my loan repayments each month?

$$N = (L \div Y) = \dots\dots\dots$$

L & Y can both be found above.

Break-even point during the period you are repaying your loan: (M + N)

$$B = (M + N) = \dots\dots\dots$$

M & N can both be found above.

Note: Look back at your expected sales growth (*question 4 in Exercise 13*) and determine at which month you will reach your break-even point - remember to convert B from sales quantity here to value (sales revenue) to do this.

If through whittling the figures in this section you can deliver a 'viable' business, you can proceed on to the next chapter. But do double check your figures to make sure and look for anything else you can adjust to increase profit.

However, if you cannot make things fit, this might be a good time to return to Chapter 2 and select your next business idea.

Or you could do the numbers for another business idea and compare which looks the best financially. For example, you might find your second business idea only needs half the start-up costs of your first.

Comparing business ideas:

Do a cashflow forecast for each business idea – how much do you need to borrow? How quickly will you reach 'breakeven' and start making profits? But when choosing which to go for also ask yourself: 'Do I have the resources to do this? Do I have the aptitude and ability to do this? Will I like doing this every day?'

Making a profit

Making a profit has historically been viewed with some suspicion by some in the church. But profits can be used for great good, like expanding the business to employ more people, serving more customers with what they need, and giving away to local needs or charities. 'It is the love of money, not money itself, that is the root of all evil' (1 Timothy 6:10).

And in fact, research into what makes companies the most successful has shown that if profit is not your number one goal, and you're aiming instead at other important things like good quality working relationships and minimising environmental waste, you're actually more likely to increase your profits.



6. Launching your business!

If you have reached this far and worked through all of the earlier chapters, then being in business should simply be a matter of putting your plans into action, shouldn't it?

However, there are a few other practical matters. First, you will need to decide on your **legal structure**. The main choices are as follows.

- **Sole trader:** essentially this means self employment (but you can have employees). The accounting requirements are simple, National Insurance is lower than for employees, you can trade in your own name with your existing bank account or a business account. However, sole traders have 'unlimited liability' meaning that you are personally responsible for any debt. Which means the business, if it goes badly wrong, could leave you personally bankrupt. Many people offering personal or professional services use this structure, but take out Professional Indemnity Insurance, so if you make a mistake e.g. in your advice that is costly to a customer and you get sued, this is covered by insurance.
- **Partnership:** this is similar to sole trader, but you share ownership with a business partner. There is normally unlimited liability (unless you have a limited liability partnership). You'll need to ask a lawyer to draw up a partnership agreement.
- **Private limited company:** (company limited by shares): this has limited liability, meaning that if the business goes badly wrong it will go bankrupt; but you will not normally be personally liable for the debts. Nevertheless, Company Directors have legal responsibilities and you should take advice – talk to an accountant and/or lawyer. A limited company needs to be registered at Companies House and you will need to submit a simple annual report and produce proper accounts. You can have several owners i.e. shareholders. If you have more than one shareholder, ask a lawyer to draw up a shareholder agreement.

Work and Enterprise

One of God's key concerns is for us to have good, healthy relationships with those around us. When asked what the most important commandment was, Jesus replied 'Love the Lord your God with all your heart and with all your soul and with all your mind and with all your strength'. The second is this: 'Love your neighbour as yourself.' How we deal with suppliers, customers, and especially how we treat colleagues and employees will impact us, them, their families and our communities. As the founder of a new enterprise you have a tremendous opportunity to set the tone and create a context for human flourishing, not just a way of bringing in money.



- **Social enterprises and charities:** there are various structures, including companies limited by guarantee, community interest companies, co-operatives, industrial and provident societies, charitable incorporated organisations and unincorporated associations. See www.gov.uk and take advice.

Second, you are likely to need to raise **finance for your business**. You may have savings, or redundancy money, or you may be able to borrow money from family or friends. If not, you may need a loan from a bank or a local lender, you may be able to get some grants if you are a social enterprise, or you may seek investors in your business rather than a loan. Appendix E contains more information on sources of finance.

In practically all cases you will be asked for a **business plan** to build their confidence that you know what you are doing. A template for a business plan can be found in Appendix H at the back of this guide. It should be fairly easy to fill in because you've already done most of the work!

Finally, there are **legal and tax requirements**. These mechanics of starting a business are well covered at www.hmrc.gov.uk. If you are starting a limited company, you will need to register at Companies House, www.companieshouse.gov.uk. There are many on-line company registration agencies that will check your proposed name, register the company and provide a standard set of documents for you.

This book has been deliberately kept as short as possible in order to make it less daunting if you are just starting off. Once you have started your business there are many other books you can read on the subject – a few are recommended in Appendix G. But for those who have just started out, and who have not yet had the opportunity to read anything else, here are our **top tips**.

1. Do not get your business finances confused with your personal finances.
2. Your business needs cash to operate – if, as the owner, you decide to take some of the wealth out of the business, only take money out of profits, not out of the business's operating funds.
3. Your customers are the only reason your business survives – treat them with respect and care. Take trouble to sort out any problems. Ask them for referrals. Invest in sales and marketing to increase revenue.
4. Treat your employees with respect and as soon as you are able, pay them a living wage.
5. Keep your 'process flows' and your plans updated to reflect all that you are currently doing and intending to do.
6. Keep your financial records up to date at all times – if you do not know whether you are making a profit then it is likely that you soon won't be.
7. Always use some of your profits to find ways to improve your business and explore new ideas to attract more customers to your business.
8. Whatever you do it will take longer and cost more than you think. Make sure you have enough spare cash to allow for this.
9. You can do it! Proceed with both humility and self-belief. Enjoy!

The following pages include some appendices to help you with thinking through your business, planning it out, and getting a start-up loan. The appendices are:

- A. **Glossary of terms used in the workbook** – and a way of looking up the letters used in the calculations
- B. **More on marketing** including sales and design of promotional materials
- C. **Service Examples** – Relating to Chapter 4
- D. **QFD for small businesses** – a tool to help you to think through how your process steps can be used to provide ‘better’ products and services
- E. **Sources of Finance** – Outlining where you might look for sources of start-up loans in your area
- F. **Survival Budget Planner** – to help you work out how much salary you need to draw out of the business in the early days when money is tight
- G. **Useful links and books** – further sources of information on businesses and social enterprises
- H. **Business Plan** – a planning form to use when applying for a start-up loan.

7. Appendices

A. Glossary of terms (and letters) used in this Workbook

Term	Page	Term	Page
Advertising – activity to make people aware of your business	20	N Loan part of Break-Even - the additional monthly sales quantity required to meet loan repayments.....	44
A Start-up Costs – the costs of setting up and running your business until it makes a profit	39	Process Flow – the full set of process steps required to do your work (see below) laid start to finish.....	21
B Break-Even Point – the monthly sales quantity required for the business to stop making a loss	44	Process Step – each activity which builds up to making the product or delivering the service.....	21
Cash Flow – the actual money which flows into and out of the business, and how much is left	40	P Profit – the money which remains from the revenue after all costs have been accounted for ...	37
Competitor – Another business which can meet the same needs of your customers that you meet.....	16	Q Sales Quantity – the number of products or services sold per month	31
C Operating Costs – The costs of both existing as a business, and of trading/working as a business	32	R Revenue – the money coming into the business as a result of sales of the product or service.....	31
Customer Profile – a word picture of the typical types of customers which your business serves....	15	S Set-up Costs – the costs of setting your business up to do work, such as tools and equipment	26
F Fixed Costs – the costs required to exist as a business, month to month, such as rent, salaries etc.....	33	Total Accessible Market – the total value of all sales of you and your competitors in your area.....	19
G Percentage Yield – the number of good/'saleable' products or services in every 100 produced/delivered	35	T Start-Up Period – the time it takes from starting your business (getting the loan) to making your first profit	40
H Hundred Unit Cost – the cost of producing 100 products/services not all of which might be 'saleable'.....	35	U Basic Unit of Sale – a description of what you sell – best explained in the third paragraph on page.....	31
I Ideal Variable Costs – the cost of producing products/services if everything came out good/'saleable'.....	35	V Variable Costs – the costs which vary with how much business you are doing, such as supplies	34
Income – another word for revenue.....	29	Viable – the ability of your business to make a profit on an ongoing basis	30
Loss – a negative profit; the result of costs being higher than revenue.....	30	Wastage/Spoilage – the amount of product/ service which you cannot sell because it is inferior in some way, perhaps damaged or old ...	36
Market Research – the activity of discovering what your potential and actual customers really think/want.....	15	W Selling Price – the price you charge for one 'basic unit of sale'	31
Market Share – the proportion of all the business you potentially could get which you currently have got.....	19	X Realistic cost per unit – after allowing for waste .	35
M Break-Even without Loan – as for Break-Even but assuming there are no loan repayments to be made.....	44	Y Contribution – the amount of money which each unit of sale contributes toward fixed costs..	44

B. Marketing & sales

Marketing is a way to increase the success of your business by looking at it from your customers' point of view. Put yourselves in your customers' shoes: what would persuade you to try out a new supplier or spend more or pay a higher price?

Marketing specialists talk about 'the four Ps': Product, Price, Place and Promotion.

Product

Have you got the right product or service for your customers?

- Can you add new products that your competitors don't sell, and perhaps drop some of your less profitable items?
- Can you identify different groups of customers who need slightly different products or services? Would it help to have a different version of your product or different packaging for men and for women? Or do you have business customers with different needs to other customers? For example, a restaurant might deliver packed lunches to office staff.
- Is there a better or faster or specialist or 'made to measure' or 'value added' product you could offer at a higher price? For example, a fruit grower could sell organic fruit, smoothies or bottled fresh juice. Or a printing business might introduce an express service for urgent jobs at a higher price.
- What other products might your existing customers buy from you? For example, if they are pleased with your window cleaning service, could you offer to clear their gutters?

Price

What prices will maximise your profits?

- What is your strategy: are you trying to sell a lot at a low price or a few high quality items at a high price?
- Many businesses set a price that is a bit more than the cost of producing the product or service. But for some items, especially if they are new or unusual or difficult to get hold of, customers might pay much more than this. Are you charging too little for some products?
- Does changing the price have a big effect of how much you sell? If so, reducing your price a little could increase sales so much that you make more money (if you have enough to sell!) If changing the price does not have a big effect on how much you sell, increasing your prices could make you more money.
- If you are selling your time, don't undercharge. 60% utilisation is good for a consultant – the rest of the time is unpaid selling or administration. And you must allow for holidays, sickness, office costs etc. So you may need to charge double your employee hourly rate or more but your customers will save because they only have to pay for the time they need and can save costs like employer National Insurance, pension, etc.

Place

Where and how should you distribute your product or service?

- Is there a location that your type of customer visits but there is no identical competition? For example, can you sell your tourist product / service at or through an hotel?
- Are there additional ways to sell, e.g. on-line or through agents in different places?

Promotion

There are lots of different ways to communicate what you have and persuade people to buy from you.

- Can you get a mention on the radio – perhaps there is a new product or a special event the radio would cover?
- Is there a trade show you could go to, perhaps share a stand with others? (This works well for a new product or something visually interesting but do think of a question for people walking past and have a handout)
- If you have a premises that customers visit, does it look smart?
- If people walk past, do you have a sign that attracts attention and explains not just what you do but also a benefit of using you?
- Would a leaflet help – perhaps with quotations from satisfied customers? Or would a good quality brochure give you credibility?
- Would a special offer help you? If you have a good product that people use often but perhaps haven't tried, offering a free sample could help. If people usually buy one item, how about offering '3 for the price of 2' to increase orders, and just charge for the two most expensive items?
- Can you work with a friend selling complementary (not competing) products? For example, a photographer could give a '10% off' voucher (for a limited time) for a photo frames shop on the condition that this shop does the same for the photographer, which should increase the number of customers for both.
- Can you ask your customers to introduce a friend and give them both a small discount?

Tips on designing your promotional material

You may decide to outsource the actual design work to a professional agency, or you may find useable templates online which will give a professional enough finish. Either way you do need to think carefully about the look you're going for, and the words you use. Think about your customers when planning your promotional materials such as signs, fliers, brochures, advertisements, letters and of course your website:

- How will you get their attention? (e.g. photos, colours, 'feel'). Where are they most likely to see your materials? On the side of a local bus? Online? On a flier through their letterbox? On a wall by a traffic light queue? With a free sample at a stall?
- Focus on the benefit not the product or feature (e.g. 'Relaxing breaks at Hill Farm' rather than 'Bed and Breakfast at Hill Farm')
- State your specialism and tell them what makes your product or service better.

- Maybe ask a question? e.g. Need a quiet break somewhere relaxing? Looking for a local website designer? Does your dog need walking?
- Make sure you include the action you want them to take e.g. Book now, Arrange a free consultation, Pop in and see us, Give us a call.
- If you're planning to have a website for your business you need to plan out the kind of pages you want, and write the text that will appear on each one. Don't leave this to the designer, as it'll be both better and cheaper if you do it.
- Register the domain name (e.g. amazon.com) yourself (either as a private individual or as a company), rather than leaving it to a web developer so that this important piece of intellectual property is clearly yours and you switch to a different developer if you wish.
- Find some websites you like and work out why. You may not be able to afford anything as fancy but you can still pick up really good ideas. Think about your customer profile - refer back to Exercise 9 - and look at websites serving similar groups of people to see how their design may be tailored to your type of customer. Make sure your web site will work with different types of access – mobile phones and tablets as well as laptop/desktop computers.
- If your business is conducted online (e.g. is a webshop), you probably need to use a professional. But if it's a local business and you only need a simple web presence you may be able to build it yourself using free software such as WordPress.

Sales

Some businesses will require 'field sales' i.e. going out to meet prospects. This is especially true for business services and consultancy where you might be selling contracts each worth thousands of pounds. It's difficult to generalise but here are some tips.

- See yourself as a consultant: ask your prospect questions to understand the underlying problem they need to solve. They might say they need a new web site, but try to find out why and what they want to achieve as a result. Is their aim to increase sales, or to reduce the cost of telephone customer support, or something else? Also ask who is involved in the decision, and what the budget is.
- If possible outline your proposed work with them and give them an idea of cost to check their reaction. Then write a proposal, take this to them and go through it.
- People buy three things: you, your business, and the deal you are offering. If they like and trust you, and your business looks credible, they will be less concerned about getting the cheapest price.
- Don't forget to keep in touch with existing and past customers as they will be the easiest to sell more to; and ask them to suggest other customers and how they think you could do better.

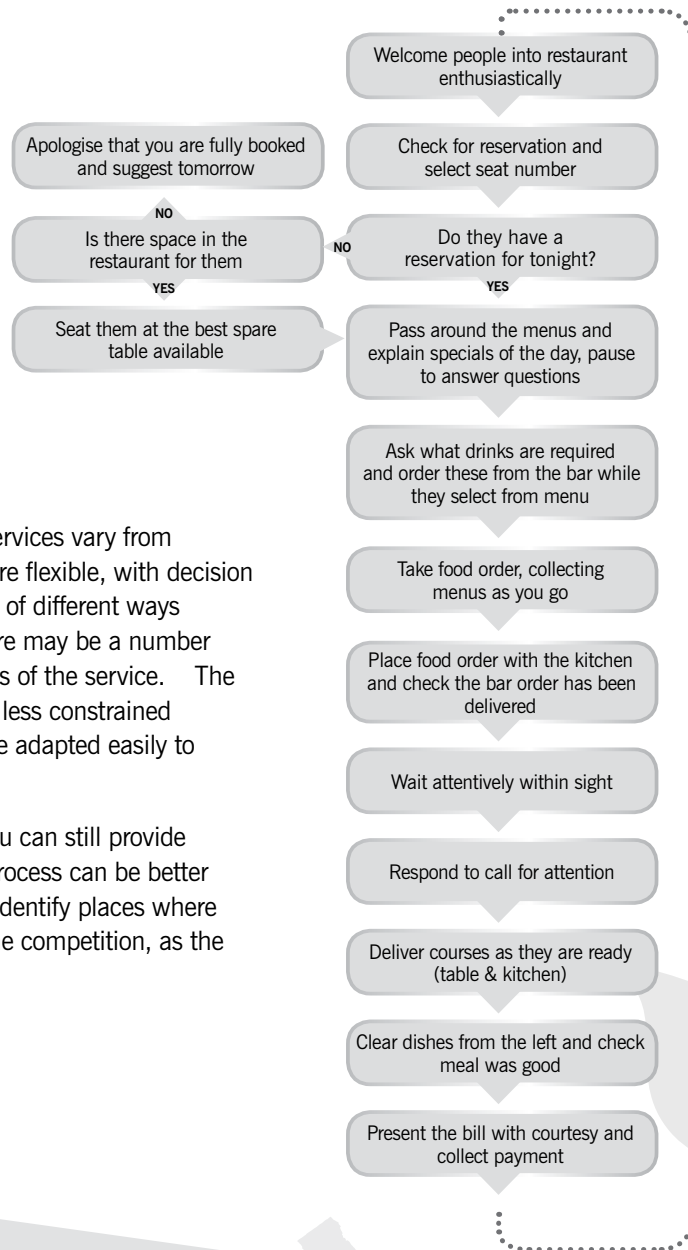
C. Service Examples for Chapter 4

Most of the examples used as illustrations for Chapter 4 were heavily biased toward production rather than service.

In this section of the appendix we want to offer some equivalent service focused examples for those of you whose business is more service oriented. You might find it helpful to see this as steps in a 'customer journey' rather than a series of production operations.

One important thing to note about how services vary from production is that the process is often more flexible, with decision points which switch the flow in a number of different ways depending on what is required. Also, there may be a number of different process flows for different parts of the service. The reason for this is that the process is often less constrained by capital equipment and can therefore be adapted easily to whatever the customer requires.

However, mapping the process as best you can still provide tremendous opportunity to see how the process can be better adapted to the customers' needs, and to identify places where quality of service can be improved over the competition, as the example below shows:



Process Step	Doing 'better'	Tools and Equipment	People & Skills
Welcome guests enthusiastically	Offer an initial refreshment	Hot towels and iced aperitifs	Natural and courteous manner
Select table number	Give table preferred	Log of preferences	
Explain specials	Remember clearly	Use blackboard	Enthusiasm for food
...

D. QFD for small businesses

In Chapter 3 we looked at how the needs of the customer, in terms of what they describe as 'better', can be thought through in terms of what you need to do at each process step to ensure the result really is what the customers want.

QFD is a tool which helps you to do this in more detail – its initials stand for Quality Function Deployment:

- Quality is what the customer means by 'better'
- Functions are the steps in your process
- Deployment means making sure the 'Functions' do all that they can to ensure 'Quality'

The tool is in the form of a grid. Down the left hand side of the grid the rows represent all of the different customer requirements – what they mean by 'better'. Along the top the columns represent all of the process steps that you need to deliver your product or service and ensure that it is 'better'.

The squares in the grid then provide a way to map each of the steps in your process onto the 'Better' they need to make happen (or could help make happen). We use three symbols for this: A bullseye symbol means that the customer requirement cannot be met at all without taking a lot of care over this process step. A triangle symbol means that this process step can help to meet that customer requirement if we take extra care over it. A circle symbol means that the process step is more important than a triangle, but less important than a bullseye.

The grid helps us to think through what we need to do in each process step if we are to stand the best chance of meeting our customer's needs better than the competition.

For more information on QFD visit www.tesseract.com.

Customer Requirements for 'Better' (Chapter 2)	Process Steps (Chapter 3)					
	Buy & measure out ingredients	Mix ingredients into the biscuit dough	Roll out the dough and cut out biscuits	Place biscuits on trays in the oven	Bake biscuits, turn the trays regularly	Remove the biscuits
Tastes good – has a nice biscuit flavour	●	△			○	
Crisp when I bite into it but doesn't crumble	○	●	△		○	△
Not too small or too big – right size for a snack			●	△		
Can be bought from a shop nearby where I live						
Not expensive – I want to buy them cheaply	○		○	○		
Looks home-made and with interesting shapes			●			

E. Sources of Finance

When you know how much you need to start up your business, you can think about where to find the money.

- **Savings or assets** - the first source of finance you should consider for your business is your own savings, or money that you can raise from any surplus items that you can sell.
- **Loans from friends and family** – great for small amounts, often they won't charge interest, and usually quick. They may give you a repayment holiday at the start. But if your business isn't as successful as you hope, you risk damaging good relationships if you can't pay the money back when it's expected. Make sure you put something in writing.
- **Loans from banks and building societies** – these financial institutions don't always lend to start-up businesses as they're often too risky. They are looking for stable, proven businesses. So if you're starting up a standard business, like being a self-employed tradesperson, you may be OK, but if it is a less standard business you may need to run a pilot version of the business to prove it will work, and contribute some money as well e.g. 30% of the total needed to demonstrate your commitment. Banks will often need a business plan (see Appendix H), and included within that a Cashflow Forecast for the first 12 months. Apply in plenty of time – it can take 2-3 months to actually receive the money, even if approved. The interest rate they offer you will depend on how risky they consider your type of business – and it could be as high as the rates on credit cards! You will have to start repayments the month after you receive the loan funds i.e. often well before you have started to get money in from your customers. Sometimes banks will want to secure the loan. This means they can claim on the security if you can't make repayments. If they lend to you as a limited company they will take personal guarantees from those involved (usually the directors), which means if your business cannot repay the loan you must pay them back from your personal funds. For larger loans they often want a charge over your property, which they can repossess if you can't repay your loan.
- **Loans from CDFIs** – Community Development Finance Institutions – most areas of the UK are covered by one CDFI or another – find your local one through the CDFFA. These not-for-profit organisations distribute loans from various funds. They work in a similar way to banks, charge similar rates and need similar information, but are usually for businesses already refused a bank loan.
- **Investment capital from friends and family** – when friends and family don't need the money back quickly, and they believe your business will be really successful, they may invest in your business by owning a percentage of it, which entitles them to a proportion of any future profits (rather than just loan repayments). To do this you'd need to set up a limited company, so that you can assign shares in it to your investors. The advantage to you is that nothing is payable until and unless the business is profitable.
- **Investment capital from business angels** – like the dragons on the popular TV series Dragons' Den, business angels are people who invest their own money in businesses in exchange for shares. They often join your Board and offer advice and steering – could be very useful, or interfering! But they will need to sell their shareholding, usually after 3-5 years, so are usually only interested in businesses with potential to go national and get publically listed, to give them a market for their shares.
- **'Peer to peer' lending** – see for example www.fundingcircle.com , www.thincats.com or www.fundingknight.com

F. Survival Budget Planner

How much salary will you need to draw out of the business in the early stages? This may be before the business is even in profit, and if so it will come out of your start-up funds, so it's important you work out what you really need. If you are receiving benefits talk through your plans to set up a business with your benefits advisor as there may be schemes to help. If you are currently employed, it is often much less stressful financially if you can gradually go part-time, whilst you build up the business.

Vital living costs	£ per month
Mortgage/Rent	
Council tax	
Utilities - Gas, Electricity, Oil and Water (non-business)	
Phone, mobile phones, internet, TV	
House insurance and any personal insurances	
Food and general housekeeping	
Car tax, car finance, insurance, service and maintenance	
Travel – train, bus, taxi and petrol	
Loan repayments, credit card minimum repayments	
Children's expenses and presents	
Any other vital living costs	
TOTAL VITAL LIVING COSTS	
Household income (non-business)	£ per month
All wages and salaries	
Pensions	
Benefits	
Any other income (e.g. rental income)	
TOTAL HOUSEHOLD INCOME	
TOTAL SURVIVAL INCOME REQUIRED	
= 'Total vital living costs' minus 'Total household income'*	

This is just your survival budget – what you absolutely need from the business. If your business is a success you will be able to pay yourself more, so you can spend money on clothes, entertainment and other non-essentials.

Tim's budget

Vital Living costs:	£
Rent	200
Bike tax & insurance	100
Petrol	50
Food	150
Phone	50
560	

Income:	
Wages from part time job at pub	400
Extra needed to survive	160

Monthly family budget

Vital Living costs:	£
Mortgage	800
Heating	100
Electricity	50
Water	30
Council tax	180
Food	240
Car repayments	300
Petrol	100
House insurance	80
Car tax & insurance	100
Credit card min	100
Phones	120
2,200	

Income:	
Neil's net salary	1840
Susan average wages	300
Rent from Tim	200
TOTAL INCOME	2340
Spare each month	140
Min required from business if Susan gives up her job	160

* if this is a negative number, you theoretically have spare cash each month

G. Useful links and books

There is a vast range of books on setting up and running a small business, including running particular businesses such as B&Bs, coffee shops, coaching companies, etc. There are also free booklets from banks and others keen to win your business. Check out Amazon and / or your local bookshop.

www.hmrc.gov.uk

Advice on small businesses, record-keeping, tax and National Insurance. They also run day courses on becoming self-employed where they'll take you through the paperwork.

www.moneysavingexpert.com

Excellent all-round consumer finance site, helpful for budgeting advice, cutting costs, and calculators such as the loan repayment calculator. Forums discuss self-employment.

www.plunkett.co.uk

Promotes and supports co-operatives and social enterprises in rural communities worldwide. Details and case studies of community shops, co-operative village pubs, etc.

www.villagesos.org.uk/in-your-area/england

Village SOS offer an excellent free book "How to create a successful Community Enterprise".

www.makinglocalfoodwork.co.uk

Great examples of community food enterprises – if you're interested in setting up a social enterprise based around food. There is an excellent pdf guide called Simply Start up, guiding you through the process of planning your enterprise, and a document of Different Models for Community Supported Agriculture.

www.socialenterprise.org.uk

A wealth of example and advice for social enterprises – businesses with a social or environmental mission.

www.cdfa.org.uk

The Cdfa is the association of all CDFIs – Community Development Finance Institutions – and will help you find your local institution in case they are currently operating a loan scheme for your type of business.

www.princes-trust.org.uk

The Princes Trust support young entrepreneurs – so if you're under 30, and have been unemployed for 6 months or more, you may be eligible for a grant and business mentoring.

www.cobwebinfo.com/services/cobra

Cobra produce BOPs – Business Opportunity Profiles, which are useful summaries of specific business sectors including statistics, trends, particular legislation, governing bodies etc. You can usually access this information for free at your local library or download them for a small fee.

H. Business Plan

A business plan is a single document which sets out clearly what you are planning to do as a business, how you are planning to do it, and why it is viable.

Any organisation which you approach to lend you money for your business is almost certainly going to want to see a business plan – partly for their own sake, to give them confidence that their loan is reasonably safe, but also for your sake; they don't want to see you under the burden of a debt that you cannot repay.

But whether the lending organisation needs to see your business plan or not, you yourself want the confidence that your business will succeed, and that you will be able to repay the loan – so a business plan is a useful document for you too.

Over the next seven pages you have the opportunity to develop your own business plan – or rather to collect all of the exercises you have done through the guide into a business plan – because if you have completed the exercises for the business you want to proceed with you already have done your business plan, and all that remains is to pull it neatly into one document.

On the business planning sheets which follow, to help you to find the information you will need, the relevant pages from this guide are cross referenced to each section. These cross references appear as little black boxes in the lower right corner of each section.

Note: Please show your plan to a number of friends who you can trust, who are willing to challenge you on your numbers, spot where you may have forgotten some key costs, or been optimistic on revenues and other things. In that way, you can build real confidence that you have a business that will work.

Business Plan

Answering the questions set out in this business plan will help to ensure that you think through all of the most important decisions in setting up your business, and that your business will be on a firm foundation for success. It will also help you to communicate your ideas to those people who you may need to approach for a start-up loan. Many of the answers can be taken from the exercises undertaken in this workbook. Numbers in black squares relate to the relevant pages.

An electronic version of this form in Word without instructions is available at www.germinate.net.

Full Name

.....

Contact details

Address

.....

Phone Email

Experience/qualifications

These do not need to be formal qualifications, but can be any experience you have that will help you to understand your business and what it will be like to run it.

.....

Brief description of the intended business

Who is involved in your business, where will the business be located, and what will the business be doing – what product or service will you be selling?

Are there any legal arrangements regarding set-up of the business?

.....

12

Why do you want to set up this business?

Please explain why you are committed to setting up this business and what you hope to achieve through it.

.....

12

Have you read and completed the exercises in 'Setting-up your own small business'? Yes / No

What is most important for you to get right in your business?

Please list and explain what you believe are the main things that you need to do well in order to make your business successful?

1.

.....

2.

.....

3.

.....

4.

.....

5

18

