

Community First New Forest

Business Planning – Information Sheet

A business plan outlines the purpose, aims, objectives and future plans of an organisation. It is a clear strategy of how the organisation will develop over a fixed period of time (usually three to five years).

Why do you need one?

As well as providing vital information for funders and other partners, a business plan ensures that an organisation has clear goals which everybody understands and can work towards. And it outlines the methods by which those goals will be achieved. This factsheet looks at how you might go about creating one.

Step 1: Review where you are now

A business plan for the future rests on a thorough understanding of where you are now as an organisation. Carrying out a **SWOT** analysis (Strengths, Weaknesses, Opportunities and Threats) or a **PESTEL** analysis (Political, Economic, Social-cultural, Technological, Environmental and Legal) are useful tools to help you do this. Consider any strength you can build upon and any weaknesses you need to address. What external influences are impacting upon your organisation (changes in the law, government policy, users)?

The initial review is very important. Information can be gathered from a number of sources, including service users, staff and volunteers. The data should be as full as possible, including **quantitative** (numerical or 'hard' data), as well as **qualitative** ('soft' data including people's experiences and feedback). Look at any current services that you offer and how these are being managed and processed. How do you currently measure success as an organisation?

Step 2: Revisit your vision and purpose

Consider your vision, mission and aims and where you want it to be in three or five years. Take the opportunity to ensure that these are clearly stated and understood by everybody involved:

- **A vision statement** – describes your idea for the future – what you want to see happen.
- **A mission statement** – describes the main purpose of the work that your organisation wishes to carry out in relation to your vision.
- **Aims** – describes your main goals and outlines how you hope to achieve your vision and mission. These may address the specific changes that need to happen if the overall goal is to be reached.
- **Objectives** – the specific activities you will carry out in order to achieve your aims.

Step 3 – The Plan

Once you have a clear grasp of where you are now and how you have achieved your vision and mission so far, you can begin planning for the future. Where will you go from here and how will you get to where you want to be? Your analysis of internal and external driving forces will help you to make realistic plans for the future. Think about:

- How you will respond to the issues raised by your review.
- What changes need to be made to ensure that your overall goal remains the central focus.
- What changes will need to be made to improve existing services and face up to future challenges.

There may be several options to consider for the future. Examine each one fairly, considering the potential benefits, costs and impacts on the organisation.

Step 4: Writing up the plan

There are no set rules on what your business plan should look like; the most important thing is that your plan is written accurately and clearly and that it is logically structured. You may want to include the following sections:

- **Executive summary** – a summary of the main points of the business plan. As some readers will only read this part, it needs to make sense on its own and be no longer than one page. Although it will appear first in the final plan, write this section last of all.
- **Organisational profile** – the background and history of the organisation. This section should include your vision, mission, aims and objectives as well as your legal status and whether you are a registered charity. You could then offer some brief details of key activities carried out to date, the results you have achieved, the main beneficiaries and the area of operation. You could also include any relevant statistics or research that helps to explain the purpose of your work. Finally you might want to include details of your organisational structure (board members, skills and expertise of staff etc.)
- **Short review** – this section should include any key findings from your review stage and outline the organisation's current position (including the activities and services you're providing). Highlight key achievements and external recognition and include your outputs and outcomes. Readers may expect to see some honest appraisal of weaknesses. A SWOT analysis is often used to display this information.
- **Externalities and market analysis** – this section describes your organisation within the wider context, including any influences from the external environment that may affect you. For instance, your service users (what are their needs, how might this change?),

local or national government policies, any relevant partners, any scientific advances, etc. A PESTEL analysis can be a helpful way to display this.

- **Strategic plan** – the specific direction of your organisation and how you will get there over the next three to five years, for example. Set your own timeframe and define how you will measure success. Include any intended outcomes (results for service users, such as reduced accident rates for cyclists) and outputs (targets that are linked to your aims, such as 20 training sessions on cycling safety).
- **Resources** – a summary of the staff, skills, money, equipment etc that you will need to carry out your business plan.
- **Finance** – a budget showing cash flow, expected income (including funding sources) and expenditure (such as equipment, premises, staff costs, stationery, utilities etc).
- **Risk analysis** – a summary of any identified risks, the impact of the risks and how they will be managed.
- **Action plan** – a detailed plan of the timeframe, including specific milestones of what needs to be done by when and who is responsible for making it happen.
- **Appendices** – any supporting information such as consultation results, feasibility studies etc.

Further links:

- For guidance on developing a business plan, visit - www.gov.uk/write-business-plan
- For further guidance on planning and other organisational development, visit Know How Non Profit www.knowhownonprofit.org
- The Complete Guide to Business and Strategic Planning, produced by the Directory of Social Change, written by Alan Lawrie (2007) - www.dsc.org.uk/Publications/