

creative
england

Start Up Loans



**Guidance on using this template to
create your Business Plan**



1. Your business and objectives

With these questions, we're trying to get a high level summary of what your business does, what product(s) and/or service(s) you offer, where you operate, why you started your business and what you hope to achieve.

Briefly describe your business, outlining the different product(s) and/or service(s) you offer:

Rather than providing a one-word answer, try and be as specific as you can to help us get an accurate understanding of the product(s) and/or service(s) you offer.

For example, instead of simply writing "Hairdresser", a stronger response would be "I am a hairdresser providing a range of services including styling, cutting, colouring and blow drying to customers of all ages and genders living in Essex. I operate my business as a mobile hairdressing unit, where I drive to my customers' houses to deliver their treatment."

While there is no specific word limit and your response will depend on the nature of your business, we recommend writing a short paragraph or two.

Objectives:

Objectives are goals that you are trying to achieve and they can be both financial and non-financial in nature.

Clear objectives are really important because they help you understand what success looks like and align your business activities towards achieving them. Even if you don't always fully achieve your objectives, you will have a benchmark against which to compare your results and improve upon them for the following year.

The key to writing good business objectives is to make them SMART: Specific - Measurable - Achievable - Realistic - Timely.

For example, "Acquire new customers" is not a SMART objective. This would be better written as "Acquire 10 new customers by 10 August 2017."

If this was your objective, you would need to think about what resources you have in place to support you in meeting this target and deadline to ensure it was both achievable and realistic.

Short term (current year):

Short term objectives are those that you are working towards now and if you are starting a new business, they are likely to be in your first year of trading.

Some examples include: "Generate 20 new customers by MM/YY." OR "Find a permanent premises in Cornwall that costs no more than £500 per month and can fit up to six staff by MM/YY." OR "Make 200 sales generating £20,000 revenue by MM/DD."

Medium term (next 1 – 2 years):

Medium term objectives are those that you are working towards in the future and are likely to be in your second or third year of trading. They will build upon your short term objectives and may also be new objectives that you intend to pursue after your first year of trading.

Some examples include: "Hire one new full-time staff member to support with business development by MM/DD." OR "Increase year-on-year annual turnover by 20%."

Long term (3 years and beyond):

Long term objectives are those that are still a while off, but describe where you want to be in about three to five years. These may be less specific as they are a long way in the future, but providing as much detail as you can will help inform your short term objectives and strategy.

Some examples include: "Business delivering a 20% profit margin by MM/YY." OR "Open first franchise outlet for the business by MM/YY." OR "Develop and launch a new product range."

Your Start Up Loan:

Describe how you will use your Start Up Loan and how it will help you achieve these objectives:

This question is designed to help us understand why you need a Start Up Loan and how it will help you move your business forward.

2. Your skills and experience

With these questions, we're trying to understand more about your personal qualifications and suitability for running your business and achieving your objectives.

Outline any previous experience, employment or other work that you have done that is relevant to your business:

You do not need to enter in your full CV (although you are welcome to send this in as a supporting document). Instead, just list any paid or voluntary work that is likely to positively contribute to running your business. Detail the names of any previous employers and your job titles (if applicable), providing a brief description of the work you were doing and why it is relevant.

For example, if you were starting a web design business, you would list any jobs you have held or projects you have worked on that relate to web design or project management.

Outline any education or training you have had that is relevant to your business:

You should list the type of education or training you completed, which organisation you completed it with and when you completed it, providing a brief description of what you learned and how this training is likely to positively contribute to running your business. We only want to hear about anything that is relevant to your business, not every type of education or training that you have ever completed.

For example, if you are starting an accounting firm, you should list your formal accounting qualifications. In addition to this, you may have completed some training for using a particular software to manage your own or your clients' accounts and you could list this training here as well.

Outline any transferable skills, talents or traits you have that are relevant to your business:

Your response to this question will depend on the nature of your business and on you as an individual. Think about what you're really good at in your day to day life and how this might help you run your business.

For example, if you're a parent then you might find that you have developed a special talent for multi-tasking which will be handy in most business environments.

Similarly, if you are an extroverted individual that enjoys meeting new people then this is likely to be an asset for your business, particularly when it comes to networking and generating new business.

Other transferable skills might include your ability to use Microsoft Office, your personal use of social media or your management of the family finances.

Briefly outline any gaps in your skills, experience or qualifications and explain how you will address these:

Don't be concerned about any gaps - everyone has them! We just want to see that you are aware of them and have a plan in place to address them. In your response, you may like to consider the following:

Does someone in your team offer these skills? Is there a training course or other qualification you can complete? Can you outsource this work to a third party, like an accountant? Is there any software you can use to help you manage these gaps?

3. Your target customers

These questions will demonstrate how well you know your customers and how prepared you are to meet their needs.

Demographic details:

Delete any answers not applicable to you and provide some description as relevant.

Age:

Gender:

Income:

Types:

Target regions:

Demographic details:

On the template, we have provided some short-hand responses to help get you thinking about who your customers are. The clearer you are about who your customers are, the more effectively you will be able to identify, target and convert them. You can select as many options as you like and don't worry - you will have an opportunity to expand upon these responses in the fields below.

Types of customers:

The types of customers you might have really depends on your business so don't worry if there isn't an option that fits - you can provide more detail in the fields below. You might like to think about the following as a minimum: Is your business trying to talk to individual customers to make a sale? For example, if you are a fashion business selling clothing for teenage girls. In this instance, you should select 'Individuals' from the list. Alternatively, is your business trying to get an organisation to purchase your product(s) and/or service(s)? For example, if you are an estate agent, you might be targeting business owners looking for commercial premises to rent or buy. In this instance, you should select "Businesses" from the list.

Target regions:

The scope of this question will depend on your specific business. For example, if you are based locally, like a hairdresser operating in one area only, then your target regions might be the specific city you are based in and any neighbouring towns within a 10km radius of your premises. Similarly, if you operate an e-commerce business that can make deliveries across the UK, then you can list "National" but also think about any specific cities, counties, or regions in which you are targeting your sales efforts.

How many potential customers do you estimate are in your target regions for this financial year?

In order to answer this question you will need to have completed some market research, though the type of research will depend on the nature of your business. For help in working this out, think about your target regions or key distribution channels.

For example, if you are running a gardening business in Essex, you might want to research how many households there are in Essex by contacting your local authority or using an online search engine like Google. Similarly, if you are selling products on e-Bay or some other online retailer, you could try and find out how many customers purchased products in your category in the previous financial year and estimate what portion of these customers you will be able to reach.

A final example is based on the likely foot traffic you will encounter if you operate out of a premises. If you are going to be selling your wares at a local market or exhibition, find out how many visitors they attract on a typical day and use this to contribute to your estimations.

Briefly describe your target customers and any other distinguishing features, expanding on any of the areas you have already highlighted above:

In the fields above there were short hand options for describing the demographic features of your customers like age, gender and income. This question is asking you to paint a more complete picture and describe the

behaviours, attitudes, lifestyle choices and preferences of your typical customers - anything that relates to the product(s) and/or service(s) you are trying to sell to them.

For example, if you were a cafe owner, you might classify your customers into three core groups and describe them as follows:

1. "The Morning Rush" customers want take-away coffees and quick snacks because they need to get to work and don't have time to chat. These customers like to pay by card and typically make purchases less than £5 each.
2. The "Mums and Babies" customers visit the cafe after peak hour and are seeking a quiet place to read a magazine, meet a friend and buy lunch. They are happy to chat with the barista, usually pay with cash and stay in the cafe for at least an hour at a time, spending between £10 and £15.
3. The "Busy Professionals" customers come in for business meetings over lunch and usually include tables of two to four people, all of whom order lunch and a drink. Average bill size is likely to be between £30 and £60."

What customer need or problem does your product(s) and/or service(s) address?

For your business to be successful, you will need to attract the right customers. Customers usually buy product(s) and/or service(s) when they have a problem they want to solve or a need/desire they want met. This question is therefore designed to help you think about how you help your customers address their problems or fulfil their needs.

For example: "Many families living in England have children with a gluten intolerance who can't eat many of the standard school snacks, however there are very few affordable alternative options available. My business is able to help them by offering a range of gluten free, affordable school snacks with packaging that is fun for kids. This great new product results in happy, healthy children and removes the daily stress parents feel when packing lunchboxes."

If you would like to use this same structure for your response, try using the following as a starting point:

"Many {insert your target customers} face the problem of / have a need for {insert customer problem or need}. My business is able to help them by {insert how you help solve this problem} resulting in {insert what benefit this creates for the customer}."

Explain your approach to pricing your product(s) and/or service(s):

This will depend on the number of product(s) and/or service(s) you have available and how complicated your approach to pricing is. Essentially, we want to understand what you charge your customers, how you worked out this pricing and what margin you take for the business in order to be sustainable or profitable. You will need to think about how much it costs you to produce and distribute your product(s) and/or service(s) and what percentage margin you need to make from each sale to at least break even.

For example, if you want to make a 20% margin on every sale and your product costs at least £20 on average to produce and distribute, then you will need to charge a minimum of £25 for this product.

If you have multiple product(s) and/or service(s) just list the key ones. Your Business Adviser can provide you with help if required but please detail as much as you can.

4. Your market and competition

These questions will demonstrate how well you know your market and the key players in the industry, how prepared you are to compete within this market, and how focussed your plans are.

What research have you conducted to understand your market, including your industry, regions, customers, competitors?

Delete any answers not applicable to you and provide some description as relevant.

It is important you have conducted some market research to better understand your market but we do not expect you to have carried out all of the activities listed in the template. It will depend on the nature of your business and industry as to what is most relevant and useful.

Once you have submitted the first draft of your Business Plan, your Business Adviser will talk to you about the market research activities you have carried out to date, what you have learned and also provide some further guidance if required.

Competitor 1:

For this question, provide a short assessment of your key competitors. If you are not sure who your competitors are, think about the companies who offer similar product(s) and/or service(s) to you or who target customers in the same regions. It's important to make sure that these are realistic. After all, just because you have a retail business, it doesn't mean that a big brand like Top Shop is your competitor. Think about where you sell your product(s) and service(s) and what else is available in this area.

For example, if you sell your food products at a local market stall, think about what other food outlets are available at this market and how they compare to yours. Do they have longer or shorter waiting times? Cheaper or more expensive prices? Fancy or plain packaging? Better or worse customer service?

Name, location, website:

Average prices:

Strengths:

Weaknesses:

Competitor 2:

Name, location, website:

Average prices:

Strengths:	Weaknesses:
<ul style="list-style-type: none"> • • 	<ul style="list-style-type: none"> • •



What sets your business apart from your competitors?

In the previous question you were thinking about your competitors. Now it is time to think about you. What sets you apart and differentiates you? Often this is called your unique selling point.

It can also help to think about your strengths (e.g. strong team) and weaknesses (e.g. small marketing budget) as these will help focus your activities on what will have the most impact. Similarly, being aware of external opportunities (e.g. a new business lead) and threats (e.g. a new market competitor) to your business is an important part of being prepared for the future.

You can use short responses or statements rather than full sentences if you prefer.

Your strengths:	Your weaknesses:
<ul style="list-style-type: none"> • • 	<ul style="list-style-type: none"> • •

Current or future opportunities:	Current or future threats:
<ul style="list-style-type: none"> • • 	<ul style="list-style-type: none"> • •

5. Your sales and marketing plans

These questions will explain how you plan to attract and engage your customers in order to achieve your business goals.

How do you or will you promote your business?

Delete any answers not applicable to you and provide some description as relevant.

You can select as many responses as are relevant to your business. Some of them will be paid activities, some of them will be free (or rather, will only require your time in order to carry out). You will have an opportunity to expand on your key activities in the next question.

Pick three of your key promotional activities and describe how they currently (or will in the future) help you meet your business objectives:

Different businesses use different ways of promoting themselves in order to attract and engage customers but for this question we just want to hear about three of your most important activities. In particular, we want to understand how these activities help you to achieve the objectives you outlined earlier in your Business Plan, so try and structure your response in a way that communicates what you do, how you go about doing it, how frequently you carry it out and the results you expect from this activity.

If you are already trading and have been carrying out these activities, you might like to provide some information about the results you have seen so far to make this even more tangible. Finally, try and be as specific as possible.

For example, if social media is one of your core promotional channels, detail exactly which platform you use (e.g. Facebook or Twitter) and provide some details about what type of posts you create and what business objective/s this supports. If your objective is to drive visitors to your website, detail how you encourage this using social media (e.g. by publishing engaging content articles on your website and sharing it on Facebook). Another example might be the use of exhibitions and conferences to meet new business prospects. For this activity you may want to list the upcoming conferences you are attending, describe how you will present your brand and explain how you intend to capture these new leads (e.g. collecting business cards and doing a follow up call or email or giving away free consultations).

6. Your operational plans

These questions will help us understand more of the specific details around how your business will be operated, and give us the confidence that you are prepared for the day-to-day running of your business.

Please provide details of two key suppliers or key relationships that are or will be important to running your business: Detail as relevant in the boxes provided below.

No matter what type of business you have, it is important that you know who your key suppliers and business relationships are so that you can manage these effectively and avoid any interruptions to your business.

If you sell products, then you are likely to have wholesalers or other suppliers that you rely upon in order to run your business. For example, if you have a cafe, you will have suppliers for all of your food and beverages.

If you deliver services, then there are likely to be some business relationships that are key to your objectives. For example, if you are a barrister, then you may rely on your relationships with solicitors as a referral pipeline for generating new customers.

Supplier / Relationship 1:

Organisation:	Relationship status: <i>Delete any answers not applicable to you.</i>
	<ul style="list-style-type: none"> • No contract/commitment • Contact under negotiation • Project-based arrangement • Contract or retainer in place • Other
Service provided:	Key terms of the relationship:

Supplier / Relationship 2:

Organisation:	Relationship status: <i>Delete any answers not applicable to you.</i>
	<ul style="list-style-type: none"> • No contract/commitment • Contact under negotiation • Project-based arrangement • Contract or retainer in place • Other
Service provided:	Key terms of the relationship:

Other operational considerations:

Do you currently employ staff?

Delete any answers not applicable to you and provide some description as relevant.

- Yes (proceed to question A below)
- Not yet but I have plans to take on staff in the next 12-months (proceed to question B)
- No and I have no plans to take on staff in the next 12-months (proceed to next section)

A. How many staff do you currently employ?

Full time:

Part time:

Outline the key staff roles within your business (e.g. job title, responsibilities, key skills):

You do not need to type in an entire job description, rather just provide a short summary of the key day-to-day tasks carried out by this role and how these contribute to achieving your business objectives. One to two sentences on each role is sufficient.

B. How many staff do you intend to take on in the next 12-months?

Full time:

Part time:

Describe the key responsibilities and skills you anticipate giving to these new staff:

You do not need to type in an entire job description, rather just provide a short summary of how you see these future roles contributing to the achievement of your business objectives and outline what their day-to-day responsibilities would be. One to two sentences on each role is sufficient.

Where does or will your business operate from?

Delete any answers not applicable to you and provide some description as relevant.

- Home business
- Office
- Retail unit
- Manufacturing unit
- Mobile business (vehicle)
- Work-hub
- Other

What laws or regulations have you considered for your business and/or industry?

This response will depend on the business and/or industry that you are operating in. For example, in order to work in any sort of food and beverage production or service business, you are likely to need to some form of Food Hygiene certificate and there will be certain processes you are required to follow. Similarly, if you operate a childcare service or tutoring business working with kids, you will likely need a National Vocational Qualification (NVQ) or other certification.

Finally, if you are running an accountancy or law firm you will need the relevant qualifications (e.g. financial accounting degree, law degree etc.) in order to practice. If you are not sure, you might like to contact your industry body or do some research online to see what laws or regulations may affect your business.

What insurance do you currently have in place or do you intend to put in place for your business?

It is generally recommended that all businesses have at least some form of insurance and, indeed, for many types of businesses (like those employing staff) certain levels of insurance are mandatory. There are various types of insurance available: professional liability insurance, property insurance, employers' liability insurance, workers' compensation insurance, home-based business insurance, product liability insurance and vehicle insurance to name a few.

For this response, you should detail the type of insurance you have, who you purchased it through, when you purchased it, how much it costs you each month and what it covers. If you don't have any insurance yet or aren't intending on taking out insurance, please detail the reason/s why and how you will manage in the event of an emergency.

7. Back-up plan

How will you manage your loan repayments if your business doesn't go according to plan?

Your back-up plan should highlight:

- What your loan repayments are
- How you would manage these repayments in the case of an unexpected event
- Why you feel this is a realistic plan

Often referred to as a 'Plan B', a back-up plan should provide an overview of how you will manage your loan in the event that your business, and the strategies you have outlined in this document, don't go according to plan.

After all, your business is (or, if you haven't started trading yet, will be) operating in an environment over which you do not have full control. As responsible lenders, it's important to us that no individual is overburdened so presenting a strong back-up plan will help give us confidence that if you are faced with unexpected obstacles, you will still be able to manage your loan repayments.

Your back-up plan should highlight:

- What your loan repayments are
- How you would manage these repayments in the case of an unexpected event
- Why you feel this is a realistic plan

For example, your back-up plan could be to go into (or return to) employment and use the salary from this to cover your loan repayments. In this case, you would need to demonstrate that you have sufficient credentials to get a job that provide sufficient income to make this a realistic back up plan. You could do this by highlighting examples of previous employment, experience, networks or connections.

Another example could be to demonstrate that you could reasonably reduce items within your personal budget in order to accommodate your loan repayments. You could highlight current expenses that you could do without (e.g. reducing your monthly expenses for leisure/entertainment) or suggest lifestyle changes you could make (e.g. moving back home with your parents to reduce your rental payments etc.). In these examples, you would need to make clear that making these changes would be realistic and deliver the necessary funds to meet your repayments.

Please note, unfortunately we do not consider relying on your partner's income as a viable back-up plan.

8. Supporting evidence

You can either copy and paste any supporting evidence in this section, or create a bullet point list of your supporting items and send them in with your application separately. Any supporting evidence you provide should support and strengthen the claims you have made and help our loan assessment team feel more confident about lending to you.

Please note, this is not a mandatory field but your Business Adviser may request additional supporting evidence once they have reviewed your full application.

You may or may not choose to provide supporting evidence. This depends on what you've included in your key business documents, the nature of your business and the purpose of your loan. Any supporting evidence you provide should support and strengthen the claims you have made and help our loan assessment team feel more confident about lending to you.

For example, if you are intending on taking on a new premises, you may want to submit a copy of your lease agreement, or if you are purchasing a vehicle, you may want to submit a copy of your driving license. Please note, this is not a mandatory field but your Business Adviser may request additional supporting evidence once they have reviewed your full application.

