

## LESSON 6:

# DEVELOPING A BUSINESS PLAN

**AIM:** Students should be able to identify the purpose and contents of business plans and be able to create their own.

### LEARNING OBJECTIVES:

#### By the end of this lesson...

- All:** Students should be aware of the need for plans/planning for small businesses and the varying sources of information available for them.
- Most:** Students should be aware of the benefits and problems of plans/planning for small businesses and be able to create their own business plan.
- Some:** Students should be aware of the benefits and problems of plans/planning for small businesses. They should be aware that the planning process involves decisions based on the resources to be used and factors providing competitive advantage. They should create a working business plan.

### CROSS-CURRICULAR:

**Enterprise skills:** Problem solving, communication, research, teamwork, the world of business, self-led learning and self reliance, risk taking

**Literacy:** Summarising – analysis and evaluation, making deductions, note-taking, undertaking independent research, precise use of business terminology, evaluating from data

**Numeracy:** Analysing results, interpreting graphs, using and applying, counting

**ICT:** Data and information, searching and selecting, organising and investigating, redefining and presenting

### STARTER:

This is when all previous five lessons link together for the production of the business plan.

Students must have with them all worksheets created so far.

Teacher discusses the importance of a business plan, that the business plan can be discussed with the business partner (Thomson Local Hero) and linking it to the final pitch.

### MAIN ACTIVITIES AND OUTCOMES, WITH ASSESSMENT METHODS INCLUDING AFL:

Students are to use the business plan check-list to compile their research so far to produce a workable business plan (Worksheet 13 for layout). Teacher to suggest students divide the task and merge together.

#### Refer students to support material

Teacher to discuss 'what makes a good pitch' with students:

Possible resources – YouTube 'How to give a good presentation'

### PLENARY

All groups come together – teacher explains that the business plan will be used to create a pitch next lesson.

## LESSON 6: DEVELOPING A BUSINESS PLAN

### DIFFERENTIATION:

#### Supported material

[www.businesslink.gov.uk](http://www.businesslink.gov.uk) includes a step-by-step guide on how to prepare a business plan. There is information on what the plan should include, the business, its markets and competitors, financial forecasts and presenting the plan.

#### Extension:

[www.businesslink.gov.uk](http://www.businesslink.gov.uk) – step-by-step guide to starting a business

### RESOURCES:

#### Worksheet 13:

Business Plan

[www.businesslink.gov.uk](http://www.businesslink.gov.uk)

## WORKSHEET 13

# BUSINESS PLAN

### HEADING: INTRODUCTION

- What is the aim of my business
- Who will I sell the product to
- How will I tell people about my business
- Who is/will be my competition

**You may wish to design a logo for your business.**

#### **Include: Business Opportunity**

- Do you see a gap or a niche in the market? Define
- What is the product or service you want to offer
- Where did the idea come from
- What skills or contacts do you have that will help you to make this business a success

### HEADING: BUSINESS AIMS

- Mission statement of the business.
- What is the aim of your business
- Include benefit to the community

### HEADING: SWOT ANALYSIS

- Include your SWOT and analysis

### HEADING: MARKETING PLAN

#### **Sub heading: Market Research**

##### **Primary Research**

- What could you do
- What will you do
- Why
- Include results (graph questionnaire results if possible)

##### **Secondary Research**

- What could you do
- What will you do
- Why
- Include results

#### **Subheading: The Competition**

- Who are your competitors, what do they charge for their goods or service – this information is based on your secondary research

#### **Subheading: Marketing – The Four P's**

##### **Product**

- Describe your product, the tangible things e.g. size, colour, design
- Extra features – after sales service, customer care policy
- Additional features, what is your unique selling point (USP)

## WORKSHEET 13

# BUSINESS PLAN

### Price

- Discuss various pricing strategies
- How much will you charge for your product and why

### Promotion

- Why do you need to promote your product
- What aspects of the product are you promoting
- What are the different types of promotion and why are they likely to be successful
- How much will promotion cost
- Discuss ways of evaluating your promotion
- How will you promote your product or service

### Packaging

- Discuss the packaging of your product in detail and how this can affect consumers choosing your product
- What image do you want to create by your product or service
- What is your after sales service

### Distribution/Place

- How will you get your product to your customers
- What is the strategy of your competitors in reaching their customers

### Will you have a set location, if so:

- Where will you set up your business
- Why did you choose this area
- Describe the area in detail
- Include a map

## HEADING: OWNERSHIP

- Decide the form of ownership (will you be a sole trader, partnership, Limited Company), you will have to research these. Decide the one that will suit your business best. Discuss the reasons for your choice by comparing it to your other options
- What is the likely type of ownership for your business
- Explain the advantages and disadvantages of this type of ownership

## HEADING: HUMAN RESOURCES

- Describe the strengths and weaknesses of each member of your team
- What is each person's main role

## HEADING: FINANCIAL PLAN

- Include cost lists (proof of research of as many costs as possible)

## HEADING: CONCLUSION

Based on your financial plan and market research findings, explain why your business will succeed or you must explain what contingency plans (alternative arrangements) you have to consider as the business does not seem like it will be profitable.