

SELF-ASSESSMENT EXERCISES

EXERCISE: EVIDENCE & YOUR WORKING PAPERS

Readers of your business plan will ask these questions. You must have the answers – and the evidence to back them up. Do not risk presenting your business plan externally without completing this exercise first.

| Questions | Your answers should be in your business plan ... | ... backed up by external evidence ... | ... or internal evidence |
|---|--|--|---|
| Promoters Can you show that you and your colleagues are suited to this particular venture? | ◇ Promoter(s) | | ◇ CVs ◇ Personal circumstances |
| Organisation Can you show that you have completed all the relevant legal requirements to set up your business? | ◇ Project Overview | ◇ Legal status ◇ Taxation ◇ Licenses ◇ Trade mark registrations and patent applications | |
| Organisation Can you show that you have an appropriate organisational structure in place to manage your business? | ◇ Project Overview | | ◇ Organisation structure ◇ Information systems |
| Sales Can you show where your sales will come from? | ◇ Marketing | ◇ Market research ◇ Letters of comfort/forward orders | ◇ Marketing plan ◇ Promotion budget |
| Sales Can you show that you will be paid as quickly as you expect? | ◇ Marketing | ◇ Market research ◇ Letters of comfort/forward orders (including agreed credit terms) | ◇ Credit terms |

| Questions | Your answers should be in your business plan ... | ... backed up by external evidence ... | ... or internal evidence |
|--|---|--|---|
| <p>Sales Can you show that you have established the resources and activities that will be needed to generate, handle and meet your projected sales and that you have a plan to put them into place?</p> | <ul style="list-style-type: none"> ◊ Project Overview ◊ Marketing ◊ Process & Resources | <ul style="list-style-type: none"> ◊ Quotations for fixed assets required showing price, terms and availability ◊ Deeds or Lease to premises ◊ Evidence of compliance with planning and other legal requirements for premises ◊ External research showing availability of suitable staff | <ul style="list-style-type: none"> ◊ Marketing Plan ◊ Promotion budget ◊ Order processing and other selling functions ◊ Production process ◊ Logistics/ Distribution ◊ Organisational structure ◊ Workload |
| <p>Purchases Can you show that you can secure supplies when you need them and under the terms assumed?</p> | <ul style="list-style-type: none"> ◊ Process & Resources | <ul style="list-style-type: none"> ◊ Contracts or letters of comfort from suppliers specifying prices, minimum order quantities, and payment terms ◊ Supplier price lists | <ul style="list-style-type: none"> ◊ Purchasing function ◊ Credit terms |
| <p>Administration Can you show that you have a realistic plan for the administration and running of the business?</p> | <ul style="list-style-type: none"> ◊ Project Overview ◊ Process & Resources | <ul style="list-style-type: none"> ◊ Quotations for services referred to in your overhead budget | <ul style="list-style-type: none"> ◊ Administration ◊ Analysis of the overheads required to run the business |
| <p>Funding Can you show that you have clearly calculated the funding required?</p> | <ul style="list-style-type: none"> ◊ Finance & Funding ◊ Financial projections | | <ul style="list-style-type: none"> ◊ Break-even analysis ◊ Ratio analysis ◊ Sensitivity analysis ◊ What If analysis |
| <p>Funding Can you show that you will be able to finance your business as planned?</p> | <ul style="list-style-type: none"> ◊ Finance & Funding ◊ Financial projections | <ul style="list-style-type: none"> ◊ Letters confirming external equity, loans, leases, etc, if not already paid in ◊ Valuations of any assets you are transferring to the business | <ul style="list-style-type: none"> ◊ Financial projections ◊ "Ownership" of the financial implications of your business plan |

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