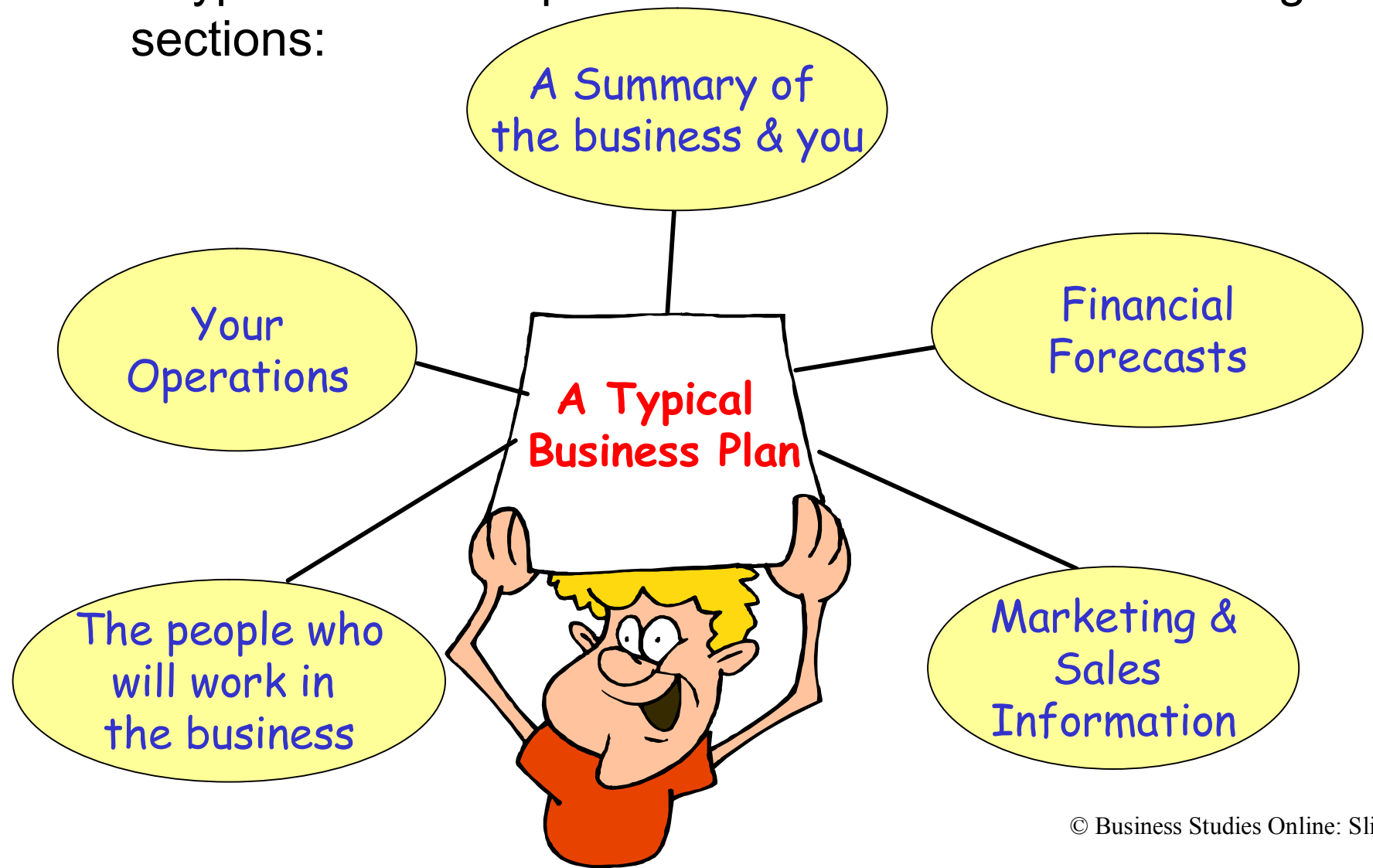




# What Should Be In A Business Plan?

- A typical business plan should consist of the following sections:





# Why Bother With A Business Plan?

- Every year in the UK:
  - Approximately 500,000 new businesses start
  - About 40% of these (200,000) will fail within the first 3 years
- The main cause of this failure rate is poor planning
- However, planning is an ongoing process
- Existing businesses must also plan
  - Around 51,000 businesses become insolvent in the UK every year
  - Headlines like this could be avoided by careful planning



## Insolvencies rise to decade high

The number of insolvencies in England and Wales has jumped to its highest level in almost a decade, according to an industry report.

More worrying is the forecast by credit insurance group Euler Hermes that bankruptcies are set to rise further.



The environment for small companies is still tricky

In 2003, insolvencies rose 7.7% to 50,500 from the previous year. That compares with a drop in the US and a slowing rate of increase in Europe.

The main contributor to the rise are sole traders, Euler Hermes said.



# The Importance of Business Planning

- Planning is important for two groups of people:

## The Business Owners

- Concentrates minds
- Assess own skills
- To monitor performance
- Is the idea practical?



## Banks & Other Investors

- Forecasted sales
- Expected cash flow
- Expected profitability
- Required finance

