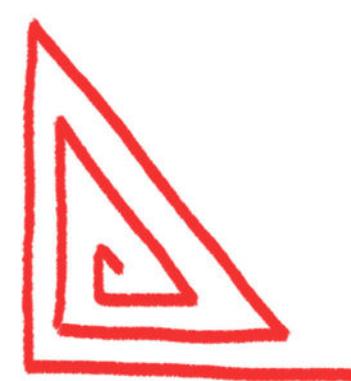


Business Plan Template



By Dr Guy Stubbs
Narrative by Amie Harms
Artwork by Carissa Gagashi

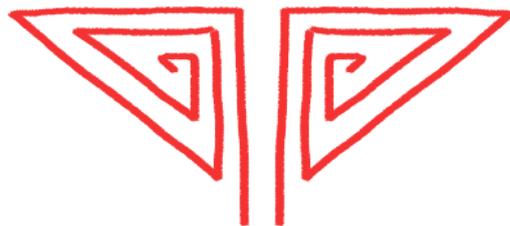


If you went to income-generation training or know how to sell or make goods or offer services (like running a creche or child centre) for money, then you must create a business plan as a first step in starting a business. This plan will help you answer questions along the way and will give you a good understanding of how you want your business to work and what it is that you want to achieve.

Advice: make sure that you have joined a Village Savings and Loan Association group beforehand. This will help you save money for your business, and it will also offer ideas of good ways to run your business.

Business Plan Template

*** This template can be used for all types of businesses ***



DETAILS OF THE BUSINESS OWNER	
Surname:	
First names:	
ID no:	
Cell number:	

1. A business or organisation is formed to make money and earn a profit by offering customers products or services they can buy.

Explain what will your business offer customers?

2. The name of my business is:

Advice: *Keep your business name easy for everyone in your community to understand and try to make sure that it relates to the products or services you offer.*

3. What will the operating days and hours of my business be? When will your business be open to customers? For example, Monday to Saturday from 6 am to 6 pm.

4. You get many different types of businesses. Tick the type that best explains your business:

- Retail** – I sell products (things) to customers.
- Service** – I offer labour or help to customers (a care centre for children is an example).
- Manufacturing** – I make things that can be sold.
- Processing** – I turn raw materials into a finished product that can be sold.
- Agriculture** – I grow LARGE crops and livestock that can be sold.



5. How much will I charge for my product/s or service/s? Do some research to see what others are charging and keep your price competitive while keeping in mind that you need to make a profit.

For example, if Jabu is selling his jars of honey for R70 a jar, but he has been in business for a long time, you can sell your jars of honey for R68 and still make a profit.

Cost of your product/s or service/s:

6. Am I sure that my business idea will make a profit? **A PROFIT is the money that remains for you to use after you have spent money on the running costs of your business?**

Use the table and calculations below as a quick test to see if your business can make a profit:

Income received from selling your product or service:	R	
- (minus)		-
They money you spent to offer your product or service:	R	
= (equals)		=
What money do you have now (PROFIT):	R	

For example:

Income received from selling one bunch of spinach:	R10.00	
- (minus)		-
They money you spent to grow the spinach (seedling):	R3.00	
= (equals)		=
What money do you have now (PROFIT):	R7.00	

Advice: *If you reach a negative (-) value, then your business idea may not be able to make a profit and you must then reconsider your plan/approach.*

7. Is there a need for my product or service in my community? For example, is your product or service something your community can afford, and is it something they use often?

Circle: Yes / No.



Advice: *If there is no need for your product or service in your community, you may need to rethink your offerings so that you do not risk losing money.*

8. Is my product or service something that I can add more value to? In other words, can you change it in some way so that it can make you even more money? **For example, you can sell an egg for R2, but if you boil it, you can sell it for R4.**

Write down ways you could add more value to your product or service now or at a later time in business once you have saved some capital (extra money to put back into your business):

9. Write down who your customers are. It's important to know who your customers are so that you know how to prepare your products or services to best meet their needs. Knowing your customer and how/why they buy products and services can also help you make marketing plans that work.

Write answers in this table to help determine who your customers are:

Questions	Answers
Who needs what I am selling/offering?	
Who can afford what I am selling/offering?	
Who is willing to buy what I am selling/offering?	
What is the age group of the people I am selling/offering to?	

Now, write a full explanation of who your customers are:

Example: Parents/guardians, farmers, tuckshops or shop owners, and so on.



10. Point 9 helps you to confirm who your customers are. Now, let us give them a name (tick the correct box). Are they:

- Consumers** (individual people or families who buy products and services).
- Retailers** (shops or other businesses that buy products and services to re-sell).
- Wholesalers** (larger businesses that buy in bulk to supply products and services to retailers).

11. There are 3 things that make a business work, these are:

- 1.) **Inputs** – These are the things and effort that are PUT “IN” to making your product or service something that can be sold. For example, feeding the chickens that lay the eggs you sell. Inputs are often things you must buy to run your business.
- 2.) **Operations** – These are the “extras” you must do in your business for it to run. For example, you must keep a balance sheet of your income and expenses.
- 3.) **Marketing** – This includes the things you do to let customers know that your goods or services are available for purchase.

12. Now, create lists of what your inputs, operations, and marketing steps are/will be to make your business work:

Inputs	Operations	Marketing
<ul style="list-style-type: none"> • Example, buy a book to record income and expenses. • • 	<ul style="list-style-type: none"> • Example, prepare a book for recording income and expenses. • • 	<ul style="list-style-type: none"> • Example: Create a WhatsApp group to share photos of your products/services. • •

13. Do I have capital/money to start (buy tools and equipment) for my business? Fill in this table to explore if you have or will have the money to start operations. This table will also help you to determine what you still need to get for your business so that you can start it.



Equipment/tools	How many?	Do I already have?	Do I need to buy?	Estimated cost
Total capital/money needed to start my business:				R

14. Will I have enough money to cover the running costs of my business for the first cycle/week/month?

Use the following table to find out if you will have enough money to carry your business for a cycle (one week OR one month) and make a profit for the next cycle. Note, if your business needs more time to produce a product, like harvesting honey from bees, then capture your cycle accordingly (for example, 6 months).

My business production cycle is _____ (days/weeks/months).

PRODUCTION COSTS FOR ONE CYCLE

P R O D U C T I O N C O S T S	Expenses (INPUTS)	Description	Supplier	Quantity	Price	Total cost
					R	R
	Total expenses (running cost for one cycle):					

Advice: Examples of running costs can include things like – any loan repayments you need to make, contributions to electricity, water, and firewood used, transport costs, marketing costs, rent paid for space used. Think carefully about all the things you need and all the things you must do to “make” your product or service and then be able to sell it.



15. If you do not yet have the capital/money to buy everything you need to start your business and run it for its first cycle, you can think about ways to find this money. Here are some options:

- From my own savings
- An agreed-on loan from a trusted family member
- From a **Village Savings and Loan Association Group**

Join a Village Savings and Loan group to learn more about business and save!



Now, add the total of your business starting costs to your business running costs for the first cycle to see how much you need to loan.

Business starting costs _____ PLUS (+) business running

costs for one cycle _____

Equals (=) R_____ (the amount I need to start my business and get it running).

16. Now you can write estimations (guesses) of your sales to see if you will make enough money to make loan repayments and cover the costs of a second business cycle.

1 x product or service (example, one jar of honey)	Selling Price	How many products or services must you sell to cover operation costs and make any loan repayments for the next cycle (for example, how many jars of honey must you sell)?
	R	

Advice: You might find that you do not make a profit in your first or second cycle of operating your business. This is because your first priority is to pay off any loans and buy the things you need to improve your business. You should, however, make a profit by the fourth cycle and onwards.



17. Now, create a budget for your business. You can create this budget before the start of every month so that you can plan for the month/s ahead. At the end of every month, you can compare your budget and your trial balance (point 19). This will help you to budget more accurately for the next month.

Advice: to work your budget out accurately, you must try to get quotes in advance. You can then write the quote number in the first column so that you can keep a record of the file (just like you record and keep your slips).

**Remember to include any loan repayments.*

BUDGET FOR EXPENSES				
MONTH:				
Quote/ Receipt Number	Description	Estimated cost of expense	Actual cost of expense	Calculate the difference: Estimated cost (-) Actual cost
		R		
TOTALS:				
BUDGET FOR INCOME				
How much do you THINK you can make from your product or service this month?				
Think about how much you HAVE to sell/offer. For example, if your child centre can care for 10 children, you must calculate the fees you will get for 10 children. OR if you are selling eggs, how many eggs do your chickens lay (on estimate) a day so that they can be sold (number of eggs x cost per egg).			TOTAL:	R



20. Compare your monthly budget with monthly trial balances, for example:

Month:	Budget IN	Actual IN	Budget OUT	Actual OUT
TOTAL:				

21. Are you prepared to create receipts for your customers? Receipts are pieces of paper (recordings) that confirm money was received for a product or service. If you are buying a product or service, you must GET a receipt. If you are selling a product or service, you must GIVE a receipt. If there are ever arguments about a purchase concerning you in the future, you can look at your receipts and the information they hold for answers.

Are you prepared to buy and maintain a receipt book for your business?
 Circle: **Yes / No**

Make sure your receipts hold all the following information:

- Receipt number
- Date of sale
- Name of seller: Business name or your name
- Name of person/business who received your product/service
- Description: name of product or service sold
- Total amount of money received
- Signature of seller

Advice: All receipts should be duplicated so that you can keep a copy and also give a copy to your customer.



22. It always helps to plan ahead; this includes planning for any risks or problems you may experience while you run your business.

Write down any problems that can arise and what you can do to avoid them OR fix them:

Risks/problems	How they can harm your business	What can you do to avoid or fix this risk/problem

23. Businesses must be managed well to succeed. Go through the following list and tick the boxes next to the activities you are willing to do for your business.

I am willing to:

- Put time and effort into planning my inputs, operations, and marketing.
- Buy the things I need (inputs) for my business to make a profit.
- Spend money CAREFULLY while still trying to buy quality inputs.
- Save money that can be used to grow or secure my business later.
- Keep records of money transactions, stock, customer information, and so on.
- Communicate with customers and meet their needs.
- Join a Village Savings and Loan group to save loan money when needed.

Advice: *If one or more of the boxes are not ticked, then you might want to take time to learn skills or find the energy to make ALL areas of your business work so that you can benefit from the most profits.*



24. Answer yes or no to the following questions:

- Are you willing and able to spend as much time as you can on your business? _____
- Do you have good people skills? _____
- Do you have good leadership skills? _____
- Are you good at organising things? _____
- Can you make careful decisions? _____
- Are you a good manager? _____
- Do you have any business experience? _____ If no, are you willing to learn? _____
- Are you going to put every effort in to make your business a success? _____

Advice: *The above is a list of qualities you must have to do well in business. If you do not yet have these qualities and have answered "no" to some questions, that's okay! These are all qualities that can be learnt. What's important is that you are willing to learn them and look for opportunities to do so. A great place to learn the steps of running a successful business is at a Village Savings and Loan Association group. A Village Savings and Loan group will help with the finances needed to run a business, but it will also give you valuable information on how to run a business correctly, including advice on how to make or farm products and keep a record of your money.*



Romans 8:28

All things work together for the good of those who love
the Lord and are called according to His purpose.



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