

The best possible business plan flashcard



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In order to have the best possible Business Plan I had to take various steps. These may have included: Primary and Secondary research or even an analysis of the competition I'd be facing.

Deciding on what we were going to sell was easy, as the business is situated on the college premises and it's for the student body selling stationery was the perfect idea. When the final decision was made it seemed in our best interest to check out who our competitors are and what type of items they sold, and at what prices. Our competitors consist of; WH Smith (main competitor), Woolworths, Ryman's, and Stationery Box. Going to these stores and seeing what they sell and at what prices was quick and simple to do. Being in the same field as we are we only had to look at the products that we were going to sell. Within the college we had to see if students as well as teachers would purchase from us.

To do this we created a questionnaire with various questions. From the response of the questionnaires it showed that students would buy from us, and they were happy that we would be setting up a stationery stall to provide items for them at reasonable prices. With exams coming up and the possibility that students would run out of stationery or forget certain things, the perfect times to sell the stationery would be at break time or period 3 (just after break). For this to work in the best of our advantage we had to analyse our potential customers. This was successful as our customers are the students of St.

Charles aged between 16 and 19. The research taken place here is Primary research. Secondary research consisted of who our suppliers would be, and

whether or not we could buy in bulk. Our suppliers are GLS and Consortium. These are companies that supply schools with stationery; this has enabled us to be able to buy certain items in bulk. We had to analyse what products were available in the market and whether we could buy such things in bulk.

The items we could buy in bulk are; Pens, Pencils, and Plastic pockets, this will make it easier to sell them at low prices and sell more. With all business functions there would be external factors that would affect the business; these can either be positive or negative. We as business owners have no control over the influences that happen outside the business. The positive aspects of the business are that we are on site so the students don't have to travel. We are available to the students everyday within the school premises. The negative aspects for the business are that the student body may not trust us as suppliers.

Also they may think that the quality of the goods is not very high therefore they will not buy. For example with pens whether its biro's or highlighters students may think that the pens don't work therefore this creates negative publicity. Who are our competitors and what's their market share? This was a question that we had to acknowledge and work out. Are they successful? If yes then WHY? Analysing our competitors was easy as they are WH Smith, Ryman's, Stationery Box and Woolworths. The reason why they are so popular is because they are known for selling quality products, at reasonable prices. They will be more successful than us as they are well known by the public.

Since we are a small business that is situated in the college we won't get any outside publicity. I believe that my approach was successful in reaching its goal. The format was easy to follow and certain areas were presented in the form of graphs, and tables, this was done to give readers a clearer depiction of my findings. The way I went about finding out certain information was done carefully as this would be very beneficial for my company.

The analysis of my competitors was effectively prepared as it enabled me and my colleagues to fully understand what we had to provide for our audience. Basing our business on our competitors made it easier for Stationery on Tap to know exactly what the customers wanted. I actually think that the way some of the primary research was conducted could've been improved. Only being able to use three questionnaires to find out whether students would buy from us wouldn't have determined if the entire college would've brought items from us.

Being that it was up to us to ask a wider audience if they would purchase goods, there could've been a more positive approach that we could've taken. Each "employee" had the obligation to carry out the proper research to enable Stationery on Tap to have the best possible knowledge of what to expect when we started out. Secondary research was done to its highest standard. Mapping out who our suppliers are, what products they sell, comparing that to what products are available to us, and whether we can buy in bulk, took extensive research but we were successful. Looking at positive and negative effects of the business was done effectively as these elements are very important to the business.

Knowing that our customers know that we are on site and they don't have to travel far to get their stationery is extremely important to us. However knowing that at the back of their minds they may think that the merchandise that we provide may not be very high quality. Using the Marketing mix, Boston and Ansoff matrix, and the Product lifecycle determined where products lie and there predicted lifetime expectancy. This is essential for our business as we would need to have some sense of what could happen in the future. Our products may not stay desirable to our customers so when that time comes we need to make sure that we know exactly what we need to do in order to keep along side our competition. On a whole I think that the approach that I took was a success as it outlines specific things that need careful consideration.

As we are providing a service to the public we need to keep in contact with what they want, need, or desire, this will then make us the more steady/permanent stationery shop for the students. Will it work? Are there any flaws? Is it realistic? All these questions are what I should be asking myself. Based on my business plan, and the ideas that are written on paper, will it be that easy to put into action? I believe that my business plan will work. As I am determined to make sure that the business stays afloat and is successful enough for all our shareholders to have a worthy dividend for the money they invested.

The Primary research was done effectively as it outlines all aspects that need to be covered. Finding out whether the students would buy from us was helpful as our priority is to provide stationery for them. Even though we have competition we may still have an advantage as their target market is the

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same as ours but, our market is in the college. It is true that the students can go elsewhere for their stationery but we sell good branded quality products therefore they won't need to go to anyone else. Graphs are presented clearly which makes it easy to understand how people voted, also there are break-even charts, profit and loss accounts, and a balance sheets which show how we hope to progress in the coming months. However I do apologise to those that may find it difficult to read graphs as they won't be able to interpret the results.

Our suppliers are GLS and Consortium. They have a good reputation and they already supply stationery for the college. As the college have a relationship with these companies we thought that it would be smart if we developed one with them too. They have proven to be very reliable.

As we have chosen to sell stationery it seemed only fair to base our prices on those of our competitors (eg) WH Smith. We used them as a baseline for our original prices. Being cheaper than them has given us the advantage of being able to steal their customers. This has made our profits rise with the increase of sales. The budget prediction for the start up of our business is realistic as we don't have a premises so we don't have to pay rent. We have no additional costs to pay on top of the orders that we make so having a budget of i?? 200 to get us started is absolutely fine.

We are in the same field as some top stationery sellers so having a good analysis of them has helped us. Since we are a small business with no real place in society selling our products which are the same as what they sell at lower prices, would hopefully boost our ratings. Having good quality items at

cheap prices would hopefully make our business run its full course. For selling our stationery it gave the impression that it was only right to sell the goods in the Atrium.

This is an area at the entrance of the college where a lot of students hang out. This should grab their attention to come and buy. The people chosen to manage certain areas I believe were chosen because they are clearly the right people for that job and they will certainly see this function through to the end. Based on these findings I imagine that our business will do well and will have a steady and secure financial background.

When producing a business plan there are many ways of going about it. These may prove to be hazardous or very valuable for the business. There is no right or wrong way to make a business plan, the only reason why you would think that there is, is because the bank may reject your request for a loan to get started simply because of the way you presented it. Preparing a business plan is very hard but with a good convincing outline of the status that you are at and where you hope to end up, good things will happen for you. I produced my business plan in a very simple way, which is easy to understand and follow.

To me that was the best way to do it, my views were straight to the point and I stated what would be good about it and what may give Stationery on Tap problems. Other ways that I could have created this business plan is by using power point. This is a technique which involves using digitally enhanced picture slides. This would then be projected on to a white projection sheet enabling everybody be able to see and take notice. The use

of more pictures would have illustrated my points better. This would have given people a clearer depiction of what is in this business plan.

This would have also made it easier to understand and they would become more interested in the business plan. Since it is very long winded people may become bored and they would be reluctant to read the whole lot. Even though there are graphs in the plan that is expected, a business plan needs to have charts to point up certain areas that may need careful attention. An oral presentation could have been done. This would have involved taking a lot of time out of the day but it is very effective.

Giving out booklets with key points that you are going to talk about would take the pressure off of you. If there are things that people don't understand they have the opportunity to ask you questions which you will be able to answer. This is an excellent way to get your point across and the intellectuals that you would be talking to would take you more seriously as you had the courage to stand up in front of people that you didn't know and explain why your business would be a success, or why they should be inclined to lend you whatever amount of money you need to get started. Obviously if you need a very large amount like i?? 20, 000 you would need a very persuasive argument as to why you should be allowed to receive the money. Using an overhead projector could also be effective as this could be used in the same way as the oral presentation.

This method offers people the option to ask for assistance with something that they do not know. Group presentations could be used. This is very similar to the oral presentations but there is a difference. The people's ideas

are the same but they interpret it in their own way. Everyone has to input into the discussions as some people will be better at certain areas than others.

If Stationery on Tap were a partnership instead of an ltd then this could be used as the partners would come up with ideas to put their views across clearly and in very few words. With any approach that is taken we would need to keep in mind that the people who are reading this or listening to you doesn't want to be there for a long time. Having to read why you are the best suitable client to start up your business over and over again would make them very tired. Yours is not the only business plan that they are going to read so you would need to appreciate how many they have read and are going to read. Try to make it as easy as possible for you and for them.

Countless pages of writing would make them dissuade anything that you have written. The approach that I would take would be to use the overhead projector or power point. This would enable anyone to ask questions about what they don't understand or if they would like to make suggestions about what you could do to improve it. For Stationery on Tap I created a thorough financial plan with different resources to illustrate how practical our business will be.

We used these ways to see if our business will be able to create profit in order to give dividends to our shareholders. Since they are the preliminary founders of the business they should get a satisfactory outcome from it. In order to make sure that the plan will work various things had to be done. I constructed 5 break-even charts to represent where I hope to break even

and the expectantly of us making more money than we are spending. With some items we will make money quickly and others may struggle.

For example with file paper we need to sell between 3-4 pads in order to be at the break-even point, from this point onwards we will be making money not losing it. However people are very conscious about buying file paper from us therefore we may not meet this target. Pens are financially viable as people need them more than anything else. Costing on 20p each people are more inclined to purchase these. We will need to sell 13 of these to meet our set target.

This would be considered an advantage as the targets that we make in these estimations can very much so be met. With the items that we bought we have paid VAT. The prices that are set for our products have no VAT added on to them. Therefore the customers are not paying the right prices for their goods. This could be classified as a disadvantage.

A disadvantage is that we haven't kept any accurate records. This means that we don't really know what is coming into the business and what is going out. Thus giving the indication that anyone can be stealing from the business and we would have no idea about it. In the coming future we would need to make sure that we keep records so we know how stable we are, and what position we are in.

The cash flow forecast is a guesstimate of how much I think we will generate within the first 6 months of us starting. With the research that was taken we as a company are confident that these figures will be the border line of how much we make. With the optimism that we will not make a lose in any of

these months we should do as well as anticipated. The profit and loss account is another estimate of how I hope we will do. These figures are just predictions on what we are going to expect in the future.

The balance sheet is an actual demonstration of how we have done so far. The spaces that have nothing in them are like this as we haven't made any purchases yet, we haven't sold anything, and we have no gross profit. We had a selling shares party which is reflected from the expenses onwards. When we sold shares we made i?? 209 and from this we took i?? 17 to buy refreshments for those that came.

Unfortunately we have debtors as not everyone has paid, i?? 15 of the i?? 209 have to still be paid by some of our shareholders; we were however able to use the remaining money of i?? 177 to purchase stationery. At the bottom of the chart it states our capital is i?? 209, Net profit (loss) is -i?? 17, which will equal to i?? 192, we took no money out of the business for personal expenses so we had no drawings, this gave us net assets of i?? 192. Even though we made a lose in the beginning it's good that balanced out in the end. However this financial plan will not work in the outside world as it is very unrealistic.

If you look on the balance sheet you will see that there are no fixed assets (eg) machinery or a premises. In reality we would need to have at least a premises. Since we don't have to pay rent or any additional fees it will make us more likely to make money. The type of balance sheet that this is will only be appropriate within the college, since this is a small venture we don't really need a large amount of facilities, honestly if this was going to be done

for real we would need to create something that will reflect exactly how much money we would need and how much we would have spent.

Another disadvantage with the viability of this plan is that we have debtors. It may only be a small amount but we didn't anticipate this so now we have lost some money. If we had appointed a credit controller we may have been able to avoid this problem. They would've seen who needed to pay their debt and chased them up.

We did however give receipts to those who bought shares in the business so we have an idea of who still owes money. Despite the fact that people have receipts they weren't issued another one when they paid the remaining of their debt, therefore they can say that they remembered paying since their friend paid. If we had issued another ticket along with their original then we would know exactly who is telling the truth. Since these disadvantages were not predictable it has made me more strong-minded to make sure that Stationery on Tap will remain in the financial situation that it is in and that we will resolve the drawback in the business that is our creditors. To truly see if this business plan is valuable for the shareholders there is a number of things that needs to be done.

Finding out whether we have prepared ourselves enough for the worst case scenario or if we are just expecting good things to happen straight from the start. Also read about success factors of WoolworthsYou as the employees or the managers are not the only ones who are expecting something out of this business enterprise. Even though they don't work in the business the shareholders have a say in what happens. They are the ones who invested

the money to get you started and they have the ability to vote off a director or change something within the businesses articles.

People will be look forward to the end of the business's life to get their returns (dividends). We will need to see if the business will be profitable enough to get them their original shares and whatever they are going to get on top of it. The business plan on a whole looks at strengths and weaknesses that may occur within the business. It outlines the primary and secondary research needed to fully identify what our business needs to look for from competitors and what they need to ask their target market.

Special tools like the PESTEL analysis should be used to make sure that Stationery on Tap have acknowledged constraints that could affect their business, certain things that they may think is irrelevant others may think that it is the one thing that they don't do therefore they will not purchase from us. The amount of money needed to make sure that we are financially constant throughout the first few weeks is very important. This need careful consideration and does require to be looked at with the utmost highest regard as this is imperative. Our shareholders are entitled to know when they would be able to get their returns. The ROCE (Returns on Capital Employed) equation compares the net profit of Stationery on Tap with the owner's capital. It basically shows the owner how long it would be before they can get their capital back.