

CREATING A BUSINESS PLAN

A thorough business plan is priceless for any business – if you're trying to grow your business in a crowded marketplace, it could be your biggest asset.

Think about where your business is now and where you want it to be in five years' time. You should make note of this in an executive summary that introduces your business plan. It's best to write the summary after you finish writing the plan itself.

THE PURPOSE OF YOUR BUSINESS

The first part of your business plan should detail the reason for your business – its purpose. Detail your business structure, the number of staff you have, your physical address and region where you're based. You may have locations spread out across New Zealand or the world if you export.

Explain how your business is different from your competition, the products or services you've developed, and define your competitive advantage. Consider:

- Where the opportunities are for your business – are there gaps in the market that you can exploit with a new product or service?
- Your strengths and weaknesses – what does your business do well and where is there space for improvement? For example, do you have outstanding customer service?
- Any threats to your business on the horizon – are you aware of any new competitors or marketing campaigns from your rivals that could impact heavily on your bottom line?

Formulate a SWOT analysis

Have a brainstorming session with your staff to identify your business's strengths, weaknesses, opportunities and threats. You can even ask your loyal customers for their opinions.

A SWOT analysis helps you pinpoint the positives and negatives of your business, both internally and in your control (strengths and weaknesses), and externally and outside of your control (opportunities and threats).

YOUR COMPETITIVE ADVANTAGE

A competitive advantage is simply what you do better than anyone else. It's important to be specific about why consumers choose your business over your competitors' businesses. What exactly is it about your operation that is an advantage?

- Prime location – say you have a burger joint that's in a prime location, on the main street with huge foot traffic. Your competitors are off the main street, giving you a key competitive advantage over them.

- Regular cut-price discounts – perhaps you sell electronics and are well known for having sales competitors can't match every two weeks. This would mean your sales can be marketed as a main advantage.
- Personalised after-sales service – perhaps you have a business that sells and installs ovens, and sends staff to people's homes one month after each sale. If competitors aren't offering similar after-sales service, this is a crucial competitive advantage.

The smarter you can be about developing and promoting your competitive advantage, the better placed your business will be to succeed. Be careful not to generalise with words like 'price' or 'quality' – you have to be more specific.

SCOPE OUT YOUR COMPETITORS

When building your business plan, describe your main competitors. Consider all possibilities – you may have competitors on the same street, elsewhere in your town or city, throughout the country, worldwide and on the Internet. As soon as new competitors enter the market, you'll want to know about them too.

There may be competitors who aren't in your precise sector of business, but you may still be competing with them for the same consumer dollar.

It's a good idea to also do a SWOT analysis on each of your main competitors. Then make use of this information by assessing how your business could reduce your competitors' strengths and opportunities, while taking advantage of their weaknesses and threats.

NO MARKET WITHOUT MARKETING

How you'll position your business in the marketplace and how you'll continue to trade in the long-term should be answered with an intelligent marketing strategy. Plan your marketing budget and how you'll use it to help return a profit.

Market research will enable you to focus your marketing budget on targeted consumers, rather than just sporadic advertising.

Detail how you're going to get the information you need to target potential consumers with print advertising, TV, radio, social media or the Internet.

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If you have any questions, please call 0800 CHAMBER (0800 242 623).

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