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Module 1 -
Developing Your
Business Plan



Module 1

Developing your business plan



Why do we need a business plan?

There is an old saying you probably all know:

“A failure to plan is a plan to fail”

There is another saying I hear a lot amongst women entrepreneurs

I am only a small business, why do I need a business plan?

3 reasons why you should develop your business plan



- Businesses with a business plan grow around 30% faster
- Owners with business plans are more likely to grow, get investments, or secure loans than those without - plus, they are taken more seriously
- Entrepreneurs with a business plan are much more likely to grow beyond startup phase

My own personal favourite reason for having a business plan - it keeps you (and your current or future team members or employees) focused on what you are trying to achieve!

What is a business plan?



- A business plan is your roadmap for growth.
- It is a way of communicating your business to potential partners, banks, collaborators, and potential new employees
- It says who you are; what your business does; what your plans and ambitions are; and how you plan to achieve your growth.

What goes into a business plan?



- It starts with your mission - what is your mission for your business?
- Think about what you want to achieve - what drives you in your business?
- Your mission is the heart and soul of the business - its your WHY.
- What problems are you trying to solve with your business?
- What makes your business offering unique - your USP (unique selling point).
- You need to clearly define your mission so that everyone can work towards it.

The 10 elements of a business plan



- **Executive Summary** - a one page at-a-glance summary of what your business does, what problem it is solving, who are your customers, where there are gaps in the market to be filled by your business offering, what makes your products and services different.
- **Description of Your Business** - in profile format, provide information on the company history, founding date, locations, major products and services, number of employees, leadership team
- **Business Objectives** - these are your key goals. They need to be precise, SMART - specific, measurable, achievable, realistic and time-bound. They need to be clearly defined.

The 10 elements of a business plan



- **Market research and market potential** - a summary of the current and potential growth size of the market and customer base - do you know your customers?
- **Competitor analysis** - do your research, get to know your competitors, how much market share do they have, what products and services do they have, how do they market and sell to customers?
- **Description of products and services** - list the offerings, any special features, any customer benefits, any innovations
- **Marketing and sales plan** - give a brief overview of your marketing and sales plan including your target markets, your unique product/service value proposition, customer gap analysis, and any planned initiatives to attract new customers. marketing and sales tactics

The 10 elements of a business plan



- **Business financials** - as a startup, you may not have a lot of financial data such as income statements, profit and loss statements, cash flow statements, balance sheets. So, prepare a simple budget and financial plan - use budget templates to assist with data collection.
- **Description of your business team** - list number of employees and their short biographies, or if a solopreneur, just a short biography with detail of education, professional background, awards and accolades, notable clients.
- **What's your ask?** - be clear about what you are asking for when you send someone your business plan. Are you asking for funding; investment; collaboration? Be clear and precise about what you want.

Business plan bonus tips



Remember, if you want your business plan to be effective, you need to make it as readable and relevant as possible. Here are some tips to help you create your business plan:

- **Keep it brief.** A typical business plan is 10 to 20 pages maximum.
- **Use a template.** There is a formula for business plans, don't try and reinvent the wheel with your own format.
- **Make it easy to read.** Divide your document into distinct sections so it is easy for the reader to navigate.
- **Proofread.** Check carefully your business plan for typos and grammar.
- **Know your numbers.** Know all your financial incomings and outgoings. Know your profit margins. Know your growth forecast.

Essentials



Make sure you assemble copies of all your official documents should they be required when you present your business plan to a bank, investor, potential partner.

As a small startup business or solopreneur, you may not have all these documents, but assemble what you do have including:

1. Company registration document
2. Tax certificate
3. BEE certificate
4. Industry associations and memberships
5. Customer contracts and purchase orders

Next Steps



Download the business plan template from the Accelerator platform.

- Start work on it now - start with your mission statement - your WHY.
- Keep working on it over the next 13 weeks of the Accelerator.
- Each module of the Accelerator will help you to complete each section as you go
- At the end of the Accelerator, you will have a completed business plan ready to keep you focused and to be used as part of your growth strategy.