

## WHOLESALE AND RETAIL:WHRT4

### NOTES AND ACTIVITIES

#### US 10008: How to write simple business plans

#### LESSON 13

#### TOPIC: Business plans

**NB :** By the end of this unit, you should be able to:

- Describe a business plan
- Discuss the need for, and use of, a business plan.

**What is a business plan?**



- A business plan is a written document that describes your business. It covers **objectives, strategies, sales and financial forecast**
- A business plan can be seen as a **map** to a potentially successful and sustainable business. This map will include **strategies, plans and schemes that will guide** the business to success.
- It is a **road map** that is used in order to keep the business in reaching its objectives.
- It is a **detailed plan of action** that sets out the nature and strategy of the business

- It includes information about the business's finances, and shows projections of how much money the business aims to make

### **The use of a business plan**

A business plan can be used by entrepreneurs for a variety of objectives. It can be primarily used to get **funding** but there can be a number of uses and they are as follows:

- To create a complete strategy
- To raise money - Bank finance
- Recruitment- to recruit top-level-employees
- To manage your business
- To help identify potential weaknesses
- Identifies and measure risks.

### **The purpose of a business plan**

A business plan serves the following purposes:

- It is a reference guide for the owner
- Banks and individuals will not lend money or invest in a business without first analysing your business plans.
- It is a map to potential success
- It serves as promotion material for the business
- It encourages you to do thorough market research before starting the business.
- It helps to promote the business idea
- It assists in identifying possible difficulties and helps to create plans to combat them.
- It allows you to see the end picture and to take into account all that is needed to accomplish the business goals.

. Activity 1



- 1.1 In your own words explain what a business plan is (5)
- 1.2 Name FOUR uses of a business plan (4)
- 1.3 Give FIVE purposes of a business plan (5)

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