



## WHOLESALE AND RETAIL:WHRT4 LESSON 14

Unit Standard: 10008 How to write simple business plans  
NOTES AND ACTIVITIES

**TOPIC: The components of a business plan**

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

**List the different components of a business plan**

**Explain the different components of a business plan**

**Analyse the functions of the different components of the business plan**



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**A GOOD BUSINESS PLAN CONSISTS OF THE FOLLOWING KEY COMPONENTS:**

## components of a business plan

- Executive summary
- General company description
- Description of products and services
- Marketing plan
- Management plan
- Operating plan
- Financial plan

**THE COMPONENTS OF A BUSINESS PLAN ARE EXPLAINED**

### **1.The components of a business plan**

#### **Executive summary**

The function of an executive summary:

- Is a one to three- page overview of the total business plan
- Tells the reader what they can expect to read in the rest of the document
- Explains the purpose of establishing the business

### **2. General company description**

- Explain the type of business that is going to be formed
- Gives history of the business, in the case of existing business
- Tells the reader what kind of business it is
- State the form of ownership

### **3. Description of the product**

- Describes the product and/or service
- Explains why people would buy the product or service
- Highlights the unique features of the product or service

#### 4. Marketing plan

- Show who will be buying your product or service
- Identify your competitors
- Give an outline on how you plan to market your product or service
- Highlights what gives you a competitive edge over the other companies

#### 5. Management plan

- The active investors
- The management team
- The directors
- It includes a brief description of the key players

#### 6. Operational plan

- Explain the type of manufacturing or operating system you will use, that is, the process that will be followed to run the business
- Provide a description of what is currently in place, if the business already exists
- Describe the facilities, labour, raw materials and processing requirements

#### 7. Financial plan

- Specify the financial needs and contemplated source of financing
- Present projections of revenue, costs and profits
- Key issues that need to be addressed when drawing up a financial plan include: pension, salary, savings, investments, stocks



### Activity 1

- 1.1 In your own words, explain the following words under financial management
- 2.1.1 Salary
  - 2.1.2. Profit
  - 2.1.3.  
Pension
- 1.2 Mention key issues that need to be addressed when drawing up a marketing plan (2)
- 1.3 How does the general company description differ from the description of the products and services?
- 1.4 What do you understand by the word key players mentioned under management (2)

### Activity 2

- 2.1 Name any FOUR components of a business plan (4)
- 2.2 Explain what your FOUR components are and what their function/s are in the business plan. Use the table below to structure your answer (8)

	Explanation	Function
1		
2		
3		
4		

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