

# Business plans

A business plan is a description of what you aim to achieve and how you propose to do it. Business plans can be either prepared for your whole organisation or a single project. A business plan describes the activities, systems, skills and resources needed to achieve your short, medium and long-term targets - in other words:

**What** - you want to do

**Who** - you want to do it with

**When** – you want to do it

**Where** – it will take place

**How** – you will do it and fund it.

It is good practice for your organisation to produce a business plan and you should involve a variety of people from your organisation in developing it. There is no set list for what you should include within a business plan, as this will depend on your organisation. However some Lottery funders require you to provide a business plan as part of your application – this will depend on the programme you're applying to and how much you're asking for. If your Lottery funder requires a business plan, there may be specific areas that they want you to cover.

The guidance notes for the programme you are applying to should highlight whether a business plan is required and what it should include. Below are some of the generally accepted areas that should be covered.

## Your organisation

You should clearly describe your organisation's aims and objectives, and its history and background. You should then describe how the project you are applying for fits into this. You should assess and highlight the strengths and weaknesses of your organisation, and likely opportunities and threats (risks).

## Your people

You should provide details of the skills and experiences of your management committee or board of trustees, staff and volunteers, and confirm when you were set up. You may want to include a diagram showing the staffing structure of your organisation. You should also highlight what skills are required for your organisation as a whole or, if you're producing a plan for an individual project, the skills needed for your project. Explain whether these are present within your current committee, staff or volunteers and, if not, where these will come from.

## Your work

You should describe the current work of your organisation including the services and facilities you provide. If your organisation runs several services or projects you may want to also show how these link together.

## Your plans for your project

You should describe what you hope to deliver through the project you are applying for funding for. This should include how the project fits within your organisation's current work, an analysis of the need for the project (including a survey of similar or related services or projects provided by other organisations) and a description of how your project will meet that need. You should provide details of the targets and change that you want to bring about through your new project and describe how the new work will be managed, staffed, marketed and financed. You should also highlight potential risks to you achieving the project's aims and how you will overcome these.

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## How you will measure success

If you are given funding, you will need to tell your Lottery funder how you use the money that is provided and how successful your project has been. Your Lottery funder will tell you what monitoring information they need, but you will probably be asked to tell them what activities or services your project has delivered and what difference this has made to the people that will benefit from your project.

## Your finances

You should provide details of your organisation's current finances. Your business plan should also include a budget and cash flow forecast for each year of the business plan. You should detail how you will continue doing your organisation's day-to-day work and how you will sustain the new project when the requested funding ends. Include details of the different sources of income and expenditure for example, earned income, public funds, non-public funds etc.

If the grant that you are requesting is only part of the funding you require, you should also include a fundraising plan. This needs to include the other sources of funding you have secured and the other funders you are approaching. You should also highlight key dates for the other funders such as application deadlines and decision dates.

## The timetable

Your business plan should include a work plan to define what you will do and when. You can use major events in your work plan as milestones towards achieving the longer-term aims of your organisation and the project you are seeking a grant for. It will also help you to define how these will be achieved within a set timetable.

## Top tips

**Make sure you involve all the key people in your organisation in developing your business plan**

**As a minimum, include a description of what you are going to do, why and how, how you are going to pay for it and a work plan to show how you are going to achieve your aims**

## Further help

Below are some contacts who may be able to help you in developing a business plan.

Business Link provides some more detailed advice on business plans on [www.businesslink.org](http://www.businesslink.org) and through their advice service (see useful contacts).

Council for Voluntary Services (CVS) – find your local CVS at [www.nacvs.org.uk/cvsdir](http://www.nacvs.org.uk/cvsdir)

Voluntary Arts Network provides support to small voluntary arts groups, and has a wide range of advice sheets and guidance.

Web link

[www.voluntaryarts.org](http://www.voluntaryarts.org)

You can also look at the budgeting and matched funding information on this website.