



A GUIDE TO WRITING A USEFUL BUSINESS PLAN FOR YOUR BUSINESS IDEA.

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A business plan is a dynamic document. It helps you to get down on paper your business concept and plans for growth in a somewhat structured manner. But the key to a good business plan is that it changes as you progress your business, as you learn more about the market, adapt your product and business model, develop a sales strategy, grow the team, and so on.

This is a guide to help you prepare a business plan that will demonstrate the viability of your business idea and how far you have progressed with the concept. It has been prepared by Grow Wellington in partnership with the team of experts from Wellington's innovation community.

A business plan for the Bright Ideas Challenge is intended to be your honest assessment of the potential of your business idea – it is not an opportunity to write a sales pitch. Therefore we recommend that you provide a concise representation of the facts and outline areas in which you need further support. Please note there is no business plan template that suits everyone. Please use the business plan template that best suits you and your business.

A GUIDE TO PREPARING YOUR BUSINESS PLAN:

- Aim for a 5 page business plan, plus financials (as an appendix) – 5 pages is a good length for the reader
- If you do not have the information to complete a particular section of the business plan then highlight this – we will then be clear as to how Grow Wellington can best support you
- Include a cover page with your business name, your contact name and details, website, etc

SUBMITTING YOUR BUSINESS PLAN TO THE BRIGHT IDEAS CHALLENGE:

Bright Ideas 2011 Business plans are due no later than **11.59 pm, Sunday, 25 September**. Please submit business plans on the Bright Ideas Website (www.Brightideaschallenge.co.nz). You must include your **idea number**, your name, and idea name on the front page of your business plan.

BUSINESS PLAN FORMAT:

1. The Environment

Key Trends: Regulatory Trends, Technology Trends, Societal and Cultural Trends, Socioeconomic Trends

Market Forces and Trends: Market Segments, Needs and Demands, Market Issues, Switching Costs, Revenue Attractiveness

Macro-Economic Forces and Trends: Global Market Conditions, Capital Markets, Economic Infrastructure, Commodities and other Resources

Industry Forces and Trends: Suppliers and other value chain actors, Stakeholders, Competitors (incumbents), New Entrants (insurgents), Substitute Products and Services

2. The Business Model

2.1 The Concept

Value Proposition: What pain do you solve? What is your solution and what are the benefits to the buyer? What needs do you meet? What proof do you have that your concept/idea is original (worldwide)?

Features and Functions: What is your product/service? Is it ready now? What development does it need? Describe the sector/market and describe what you want to do.

2.2 Target Market

What is the opportunity in the market? Who is going to buy from you and why? What proof do you have that your target market exists? How motivated would they be? Describe any key trends? How large is the market?

2.3 Go-to-market Strategy

How will you reach your target market? How will potential customers find out about your product or service? What will motivate potential customers to buy your product or service? What channels will go you through and what customer relationships do you need?

2.4 Competition and Competitive Positioning

Who else is in this space? What differentiates you? What are the barriers to entry? How easy would it be for people to move into the market after you?

2.5 Business Model (Revenue Streams, projections and Cost Structure)

How do you make money? How will you create, capture and deliver value to your customers? How will you scale up your business? You may include pricing model, strategies for increasing amount of sales, etc.

2.6 Activities

What actual activities are required to make this product?

2.7 Team

What are your own skills? And what is missing?

2.8 Resources

What other resources do you need to run your business until it is self-sustaining? Where will these resources come from?

3. Implementation Roadmap

Action plan, projects, milestones and roadmap

4. Risk Analysis

Limiting Factors and Obstacles, Critical Success Factors

5. APPENDICES

Appendix Financials

Spreadsheets – start simple with sales forecasts and sample P&L. Highlight any assumptions you make.