

A guide to venue business plans

Guidance note

Kent County Council

What is a business plan and what relevance has it to a new facility?

In short, a business plan describes the business you are in, the business you aim to do and how you are going to do it.

Planning a new facility involves many months or years of preparation before projects are realised. A business plan is a detailed statement of the short, mid and long-term objectives of the business, together with an analysis of the resources needed to achieve them and the steps that will be taken to ensure the objectives are reached.

It is a requirement of many funding agencies that organisations applying for grants must have a robust business plan in place. A business plan will also be important for projects seeking a loan to build new facilities.

Why plan?

- 1 To clarify what you want to achieve and how you will do it.
- 2 To enable you to say no to excessive demands.
- 3 To arrive at a consensus within an organisation over what you are there to do.
- 4 To show that you mean business and to demonstrate a professional approach.
- 5 To involve staff in decision making and to therefore generate team spirit.
- 6 To enable you to attract and lobby for external (and internal) resources.
- 7 To provide a working document to guide the organisation.
- 8 To ensure you make the best use of resources and opportunities.
- 9 To enable you to control and manage resources within an agreed framework.

A business plan will allow for performance indicators of how the business is operating by identifying successes, failures, shortfalls and future requirements.

Preparation for production of the business plan

How to prepare:

- market research
- discussion and meetings: staff, superiors, politicians, customers, partners
- evaluation of performance in previous period (review of existing facilities)
- build on previous plans.

The questions to address:

- Where are we now?
- What is the cause of the current position?
- Where do we want to get to?
- How do we get there?
- How will we know when we get there?
- What alternative routes could we take?
- What are the costs, benefits and other consequences of each alternative?

Planning timescale and term

Timescale:

- relates to the budget-setting timescale
- relates to politics
- relates to the need for endorsement from various parties e.g. external funders, committees, etc
- always allow sufficient time to distribute and amend drafts.

Term

The longer the term:

- the better your capacity to be flexible within political parameters
- the less definitive it may be
- the more directional it can be
- the greater the tendency not to monitor its implementation closely.

You can have an annual plan and a three or five-year plan; three or five-year plans are usually development plans.

Contents of a business plan

Introduction

What business are we in?

A statement outlining the main activities of the organisation, and the people it serves.

What expertise do we have to run the business?

Who are the key people?

What track record do they have in this business?

Who do you use as professional advisors?

What are we trying to achieve?

What are the goals of the business?

Where do you see yourselves in five years time?

Marketing plan

- strengths, weaknesses, opportunities and threats analysis
- consider aims, objectives, targets, strategy and tactics
- market plan – 4Ps (place, product, price, promotion).

What is our competition?

- What similar operators are there in the same catchment area?
- What is unique about your business which makes you different from the rest?
- What are the market opportunities?

What is our target market?

- Who will use the facility? Numbers, groups of people etc.
- Where will they come from?
- Is this an existing market, or will you have to win over new target groups?
- What potential is there for market growth?

How will we attract people to use the facility?

Do you have a marketing strategy in place?
(Internal and external)

Staffing plan

How will we manage the business?

- management team
- operations
- pay and performance
- redundancy etc
- contracts.



Operation plan

How will the business be run?

- philosophy
- programming
- operational procedures
- health and safety
- repairs and maintenance
- administration.

Financial plan

Is the business financially viable?

- initial investment
- servicing and repaying loans
- projected income
- fixed costs
- variable costs
- cash flow projections
- budget and cost centres
- expenditure
- income
- performance indicators and review systems.

Summary

Writing your business plan

Basic rules

- Keep it short: 30-40 pages long.
- Write clearly and simply.
- Do not use it to impress.
- Use it to set objectives and targets: These include financial objectives and planning objectives. Give deadlines for tasks and assign responsibilities.
- Make objectives within the plan as precise as possible in terms of timescale, phasing and prioritising. qualitative and quantitative targets against which success can be monitored. Objectives should be realistic and attainable.
- Do not try to write a business plan in strict logical order from beginning to end: draft different bits as they come to you.
- Always include an executive summary, and ensure it refers to the key points. This is the penultimate part to be written.
- Summary - Write the summary last. The summary is the doorway to the rest of the plan. Keep it short (no more than two or three pages). Try writing it as bullet points. The summary should state its purposes, the most significant features, the most important planning objectives and the most important financial assumptions and results.
- If you have a mission statement and if it belongs in your plan, put it in the summary. But remember, missions are not objectives.



- Nature of business: state clearly what your business is, what facilities you have, list what services you are offering and give a brief history. Where appropriate, give a brief summary of past performance, but if you are making large scale changes ignore past performance.
- Context of business and overall market: briefly describe what is happening to your parts of the market nationally and any differences there may be in the local market. Outline any specific local demographic features that may cause variations in your market compared with national market.
- Market strategy and plan: include the basic orientation from your market strategy and the salient features from your market plan. You could give these as an appendix and summarise in the main document. Compare your services to comparable services on offer from competitors and explain how you are offering something additional and better.
- Quote from any market research you have carried out or state when you will be carrying out market research. Remember, you must back up your reasons why you expect to increase usage and income with realistic arguments.
- Set out a promotional strategy, your pricing strategy and other important features of your marketing.
- Note that all your assumptions about increased usage and income in this section will have to correspond exactly to the assumptions in your financial projections.
- Include all the resources, particularly new resources you will need to put your marketing into place.
- Resources available: this will include the present staffing and staffing structure, support from other organisations.

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- Resources required: this will set out the new staffing structure, the way that pay will be structured and service level agreements. It will include arguments backing up new posts, etc. It will give the full list of planning objectives.
- From these requirements, and based on your marketing strategy, you will list your financial targets.
- Financial assumptions and projections: these will set out the approximate costs for running the management contract plus the costs for running any other services. You need to have set up spreadsheets that demonstrate all financial reports and predictions.
- Keep the finance section as simple as possible. Finance is a tool to enable you to meet your objectives, and is not the raison d'être of the plan.
- Ensure the plan will enable you to measure inputs, outputs and outcomes; and subsequently overall performance.



Monitoring and evaluating the business plan

When, how often, how?

- Quarterly reviews with six-monthly and annual away days. The annual monitoring session to be linked to the production of following year's plan.
- Each member of staff to have a copy.
- Each staff member should have a work programme that feeds into the business plan.
- Constantly assess whether the business plan is working for you, eg. should the planning term be lengthened?
- Does it cover the right elements?
- Is it too ambitious, meaning that many objectives will not be reached, resulting in a perception of failure?
- Is a balance between reactive and proactive work about right?
- Is it being used by you and staff to guide work?



This leaflet is available in alternative formats and languages.

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