Business Planning 101

Do you have a business idea?
Have you decided to start a business?

There is a lot more to a business than a good idea. You need to think through these to improve your chances of success. Are you the right person to run the business? Will customers like your product?

A business plan will help you turn an idea into a business. It needs you to think through all the parts of your business, to plan how everything will work. It will take a few weeks to write if you are going to write properly. Some parts will be easier to complete than others.

Stick at it because it's not the final document that's important, it's the process. Although you want to have a good plan when you are done, an OK plan is better than no plan.

DARe
Darussalam Enterprise

DARe Enterprise Programme

DARe has helped many individuals to complete their business plan and start their own businesses. We have a team who are here to help you prepare the plan and ask you relevant questions to sharpen your plan.

To take part, you need to be interested in being self-employed and have a business idea you would like help to test and explore. The programme will help you to see if the business idea will work and whether self-employment is right for you. If through this process you find out it is, the programme can offer mentoring support and, if you really need it, financial support to start your business.

We can't guarantee that your business will work or that we will be able to offer you money, but if you are up for a challenge and want our help to explore your business idea, get in touch and come and meet us.

Content:

The quick pitch	3-7
All about you	8-9
What are you going to sell?	10-11
Who are your customers	12-13
Do you know what it's like out there?	14-17
How will you contact your customers?	18-22
Who are your competitors and how do you compare?	23-26
How will the customers get the goods and you get paid?	27-30
How much will it cost?	31-33
How much money will you make?	34-44

The Quick Pitch

The Quick Pitch

EXECUTIVE SUMMARY

Purpose of this section

This is the most important part of your business plan because if someone is busy, this might be the only section they read. It should explain the basics of your business. After reading it, the reader should understand what the business is about and be keen to know more. It should include the key points of your business plan and should be short – no longer than two pages.

Because it is summary of your business plan, you should write it last.

How to complete this section

1. Do not complete this section unless you have finished the rest of the plan.

2. Please follow the steps outlined next page.

DARe
Darussalam Enterprise

The Quick Pitch

1. Business summary

Explain your business idea – what you are going to sell, where and to whom. Explain your business name and why you chose it. Describe what type of business you have chosen to be – sole trader, limited company, etc. Explain why you have chosen that structure.

2. Business aims

List 3 to 5 goals you want to achieve through your business. For example, you might want to earn enough money to support your family or get your products sold in a particular store. You should divide your objectives into short-term (1 year), mid-term (3 years) and long-term (5 years +).

3. Financial summary

Describe your financial goals for your first year – expected turnover, the cash you hope to have left in your first year of trading. State what money you need to start your business. Explain where you will get the money from (e.g. bank, family, DARe) and whether you are contributing any money yourself. If you are not, explain why not.

DARe
Darussalam Enterprise

The Quick Pitch

ELEVATOR PITCH

Purpose of this section

This is the section where you plan how you are going to talk about your business. You should complete this section last when you are finishing your business planning.

Planning the business is sometimes the easy bit – it's more difficult to have the words ready to explain the business to a potential customer on the street. You need to plan what you are going to say that makes it easy for people to understand 1. What your business does 2. Who it is for and 3. What makes it different to the competition?

How to complete this section

1. Do not complete this section until you have finished the rest of your plan.

2. Please follow the steps outlined in the illustration next page.

DARe
Darussalam Enterprise

The Quick Pitch

1. Your business name

Your business name is important because it's often the first thing people see on your marketing materials – for example your website or your business premises. Your name helps customers to form an impression of what you do, what you stand for and to pick you out from the competition. You also have to live with and build your brand around it.

You need to think about :

1. What your name says about you and your business.
2. How your name influences potential customers.
3. Whether the name you have in mind is already being used by another business.

The Quick Pitch

2. Do you need a strapline?

This is a catchy phrase that goes with your business name and logo – for example, BIBD – Bruneian at heart.

Not all businesses need a catchy strapline. If you decide to have one it should emphasise the key selling points of your business, the bit that makes you stand out. It should be short, simple and catchy and strike a chord with your customers. Once you have decided on your strapline, you can include it on your marketing materials, website and at the bottom of your emails.

3. Your elevator pitch

This is quick 2 minute summary of your business. It's the few sentences that you choose to tell potential customers when you have all but 2 minutes to leave an impression. Your elevator pitch should clearly state what your business does, who it's for and why it's different. After a little practice, it will be second nature.

All About You

DARe
Darussalam Enterprise

All About You

OWNER'S BACKGROUND

Purpose of this section

This section is to explain why you want to start your own business and why you think you (and your business partners, if applicable) have the experience, ability and commitment to make your idea a success. It should also give details of your education and qualifications, work experience, training and hobbies. Practical experience is especially important.

How to complete this section

1 You should attach a CV for each person involved in the business and include copies of any certificates.

2 Please follow the steps outlined in the illustration next page.

DARe
Darussalam Enterprise

All About You

1. Why you want to run your own business

Why have you decided to start your own business? Why is it the right choice for you and why are you determined to make it a success? Why do you think you have the skills, knowledge and experience to make it work?

2. Previous work experience

Describe any experience you have in the activity of your business or in running another business. For example, if you have worked in the field or if you have helped your family to run a business.

3. Qualifications and education

Explain any qualification you have which you think will help you run your business.

4. Training

Describe any training you have attended which will help you run your business. These might be business skills or courses to develop industry skills, e.g. in culinary, carpentry or hairdressing. Give details of any training you plan to do in future.

5. Hobbies and interests

Explain any activities you do in your spare time which will help you make you business a success.

What Are you Going To Sell?

What Are You Going To Sell?

PRODUCTS AND SERVICES

Purpose of this section

This section is to describe what your business is going to sell. Businesses can sell two things – products or services. Products are objects, for example, clothes, jewellery, books, etc. Services involve selling time to do something for a customer, for example, accounting, car mechanic, gym instructor, dietitian, etc.

Sometimes a business can do both, for example, a website designer who sells time to build a website (service) and the domain name and software to host the site (product).

People reading your business plan may not be familiar with your product/service so you need to explain everything, even things that seem obvious to you. Get people who are not involved in the business to read your description to make sure they understand.

DARe
Darussalam Enterprise

What Are You Going To Sell?

How to complete this section

1. Please follow the steps outlined in the illustration below.

1. What are you going to sell?

Is your business going to sell a product, a service or both?

2. Describe the basic product/service you are going to sell.

If your product is hard to explain, it's a good idea to include a picture.

3. Describe different types of product/service you are going to sell.

For example, if you are selling t-shirts, you might stock certain colours and sizes. If you were going to be a car mechanic, you might have two services, one for commercial businesses and one for individuals.

4. If you were not going to sell all your products/services at start, explain why not and when you will start selling them

You may start your business after doing market research on a sample of products/services. You may want to wait until you have a regular income before you expand the range of products/services you offer.

Who Are Your Customers?

Who Are Your Customers?

THE MARKET

Purpose of this section

This section is to describe the customers that might buy your product/service. You need to understand these customers so you can work out how to tell them about your business.

Be specific and find out detailed information about your target market - local customers who will be interested in your business, not general information about all the customers in the world who are interested in businesses like yours.

The best proof that customers will be interested in your business is if you have already sold some of your products/ services. The next best thing is to have customers waiting to buy from you.

How to complete this section

1. Please follow the steps outlined in the illustration next page.

DARe
Darussalam Enterprise

Who Are Your Customers?

1. Explain whether your customers are individuals or businesses.

Your customers might be both individuals and businesses.

2. Describe your typical customer.

If they are individuals, broadly how old they are and how much they earn. If they are businesses, what sector they are in and what size of business they are.

3. Describe where your typical customers are based.

For example, are they in Brunei, in a particular region or worldwide

4. Explain what prompts your customers to buy your products/services.

For example when they have a problem or when they receive a bonus.

5. Describe factors that help your customers choose which business to buy from

For example, which business has the most experience, which business is nearest to them or which product they think is in fashion.

6. Explain if you have sold any products/service already

Describe how many sales and how much money you made. If you can, provide a list of customers/sales details

7. Explain how many customers you have waiting to buy from you.

Ask potential customers to write a “letter of intent” stating they would like to buy your products/ service and include copies in your business plan.

Do You Know What It's Like Out There?

Do you know what it's like out there?

MARKET RESEARCH

Purpose of this section

In section four, you describe your potential customers. Most of these customers will already be using other businesses. This section is to research those businesses and customers.

Lots of businesses look good on paper but the only test that matters is whether the product/service sells. You can't be sure that your assumptions about your business are right unless you do some proper research (i.e. don't just ask your friends and family if they think it's a good idea).

There is no right amount of research. It is better to research your local market, in the area you are going to run your business, than it is to research the entire global market. The right amount of research will tell you what your market looks like, how it behaves and what customers expect.

Do you know what it's like out there?

How to complete this section

There are two types of market research outlined in the illustration below - desk research and field research. Write up your findings including the most important information only.

1. Desk research uses information from the internet and books

It involves learning what other people say about your market and finding out basic facts.

When writing a description of your market, you should explain:

- how big the market is (for example,how many sales take place in a year?)
- trends in your market (for example, are sales going up or down? Are people changing how they buy the product/service?)
- any important facts, statistics or events
- whether the market is seasonal or dependent on other external factors (for example, the weather)

Good places to find information:

- government agencies: – JPKE, AMBD
- IMF/World Bank/ADB
- libraries: sector magazines and directories, Yellow Pages, etc.
- your own knowledge from previous jobs or experience working in the field

DARe
Darussalam Enterprise

Do you know what it's like out there?

2. Field research involves asking potential customers their opinion of your business

It is the best way of working out if it will be successful. You should ask potential customers to complete questionnaires. If you are selling a product, you should also carry out test trading to see whether people will buy your product.

Questionnaires - When designing questionnaires:

- keep it short – one page with about 10 questions
- ask questions answered "yes/no" or with options, such as "very happy, happy, unhappy, very unhappy"
- ask specific questions – will people buy from your business, at your prices, in your location
- ask if people buy from a similar business already and if so, which? Would they change to buy from you and if so, why?
- ask if you can keep customers' details and contact them when you start trading

Do you know what it's like out there?

Include a copy of the questionnaire in your business plan.

In the main body of the business plan:

- explain how you chose the people who completed the questionnaire and how many people completed it
- describe the main results. For example how many said they would buy your product/service? How many would be new customers? How many customers would you be taking off your competitors?

3. Test trading lets you practice running your business

The aim is to see if customers will buy your product and at what price. It doesn't have to cost lots to do. If you have done test trading, you should explain:

Where did you do it and how much it cost :

- How many products you tried to sell and at what price
- How many products did you actually sell and at what price
- Key learnings from this
- What will you change based on your learning

How Will You Contact Your Customers?

DARe
Darussalam Enterprise

How Will You Contact Your Customers?

MARKETING STRATEGY

Purpose of this section

You need to contact potential customers to tell them about your business. Marketing describes any activity that attempts to make contact with potential customers.

Good marketing materials – in whatever form – will grab a customer's attention, capture their interest, illicit their desire for your product/service and direct them to take action and find* out more.

If your marketing is successful, your potential customers will learn what your business does and where to find you. Popular marketing methods are outlined below.

How to complete this section

Different marketing methods are outlined below. Decide which methods are best for your business; choose about three and list the required detail for each. You must include all costs in your cash flow forecast in pg 40; 3. CASH FLOW FORECAST.

How Will You Contact Your Customers?

Word of mouth

When customers hear about your business through others, that's word of mouth marketing. If customers like your business they will often recommend it all on their own. However, it is worth considering how you could encourage them to tell people, for example, by offering an incentive like a discount, or by giving exceptional customer service.

Advertising

There are many ways to advertise your business, for example, in a local paper, on the internet or in a directory like the Yellow Pages. You should explain:

- which methods you have chosen, why and how much it will cost
- the type of advert you will use, for example, size or colours
- how many adverts you will use and how long each will run for

How Will You Contact Your Customers?

Leaflets and business cards

These should detail only the most important information about your business. You should keep the design and wording simple. If you have already produced some, you should attach them to your business plan; otherwise you should describe the design or include a sketch. You should also explain:

- what materials you will produce, what information will be on them and who will design them
- how many you will produce, who will print them and how much it will cost
- if you are going to distribute materials to customers, explain how and where

Direct marketing

Direct marketing involves contacting potential customers to directly sell your product/service to them. It can be done on the phone, in a letter, email or face-to- face. You should explain:

- which method of contact you will use, why and how much it will cost
- how you will find names and contact details of potential customers

How Will You Contact Your Customers?

Social media

Different social media can be a very effective way of marketing your business. It's free, allows you to put a face on your business and invites a vast network to interact with your activities. As well as the widely used Facebook and Twitter, there are now social networking sites for small businesses which can help you to focus your efforts.

If you're planning on using social media to market your business, you should consider:

- what you want to achieve from social networking and how you will engage with your customers, for example, will you create a blog to give customers the inside view on your business or get customers to offer feedback on product design ?
- which networking sites are preferred by your target market and for what purpose ?
- how your business activity on social networking sites is kept separate from your personal activity ?
- how your social networking ties in with your website or other promotional materials and events ?

How Will You Contact Your Customers?

Tradeshows and exhibitions

Some businesses can access large audiences at a tradeshow or exhibition. However, exhibiting is expensive and time consuming, so you need to be sure it will be worth the effort. If you plan to attend events,you should explain:

- which events you are planning to attend, when and how much it will cost
- why it is important to attend these events at this stage in your business

Website

Websites don't have to be complicated - just three or four pages to show what you do and how to contact you. If you already have a website you should give the address. If you don't have one but plan to, you should explain:

- the design and any special functionality you want to include, for example, an online shop
- who is going to design it for you and how much it will cost to build and maintain

You can refer to DARe in your marketing materials using the words "Initially supported by DARe Enterprise programme". You cannot use DARe logo.

Who Are Your Competitors And How Do You Compare?

Who Are Your Competitors And How Do You Compare?

COMPETITOR ANALYSIS

Purpose of this section

A competitor is any business that offers a product/service that is similar to yours. Businesses often have many competitors. It's best to focus on those which customers are most likely to buy from instead of you; probably those nearest to you, with the most similar prices or the most similar products/services.

You need to think hard about your business and how you compare to your competitors. You should put your thoughts in a SWOT analysis. SWOT stands for Strengths, Weaknesses, Opportunities and Threats.

A SWOT analysis will help you to understand all the things, good and bad, that could affect your business. If you know what these are, you can work out how to resolve them or use them to your advantage. Thinking about your weaknesses and what could go wrong is important because it will allow you to correct your mistakes before they happen.

Who Are Your Competitors And How Do You Compare?

How to complete this section

Please follow the steps outlined in the illustration below.

Table of competitors

Find out information about your competitors. Try to do this for at least 5 competitors most relevant to your business.

You need to work out:

- who they are
- where they are
- what they sell
- how much it costs
- how big the company is
- what their main strengths and weaknesses are

DARe
Darussalam Enterprise

Who Are Your Competitors And How Do You Compare?

SWOT analysis

Each part of a SWOT analysis is explained below. Try to think of 3 points for each category. Make sure each point is specific to your business.

Strengths

Positive things about your business that will make it stand out against competitors. These might be specific to your product/service or more general such as your location

Weaknesses

All the things that could mean you struggle to make your business work. For example, areas that might be impacted by your lack of experience or by lack of money. For each weakness, explain what you are going to do to address it e.g. more training

Opportunities

External factors that you and your competitors can take advantage of, e.g. change in the law or market trends.

Threats

External factors that could affect how well your business and your competitors do e.g. a large shopping mall opening up may take away your customers. Explain how you will prepare for these and how you will reduce their impact on your business.

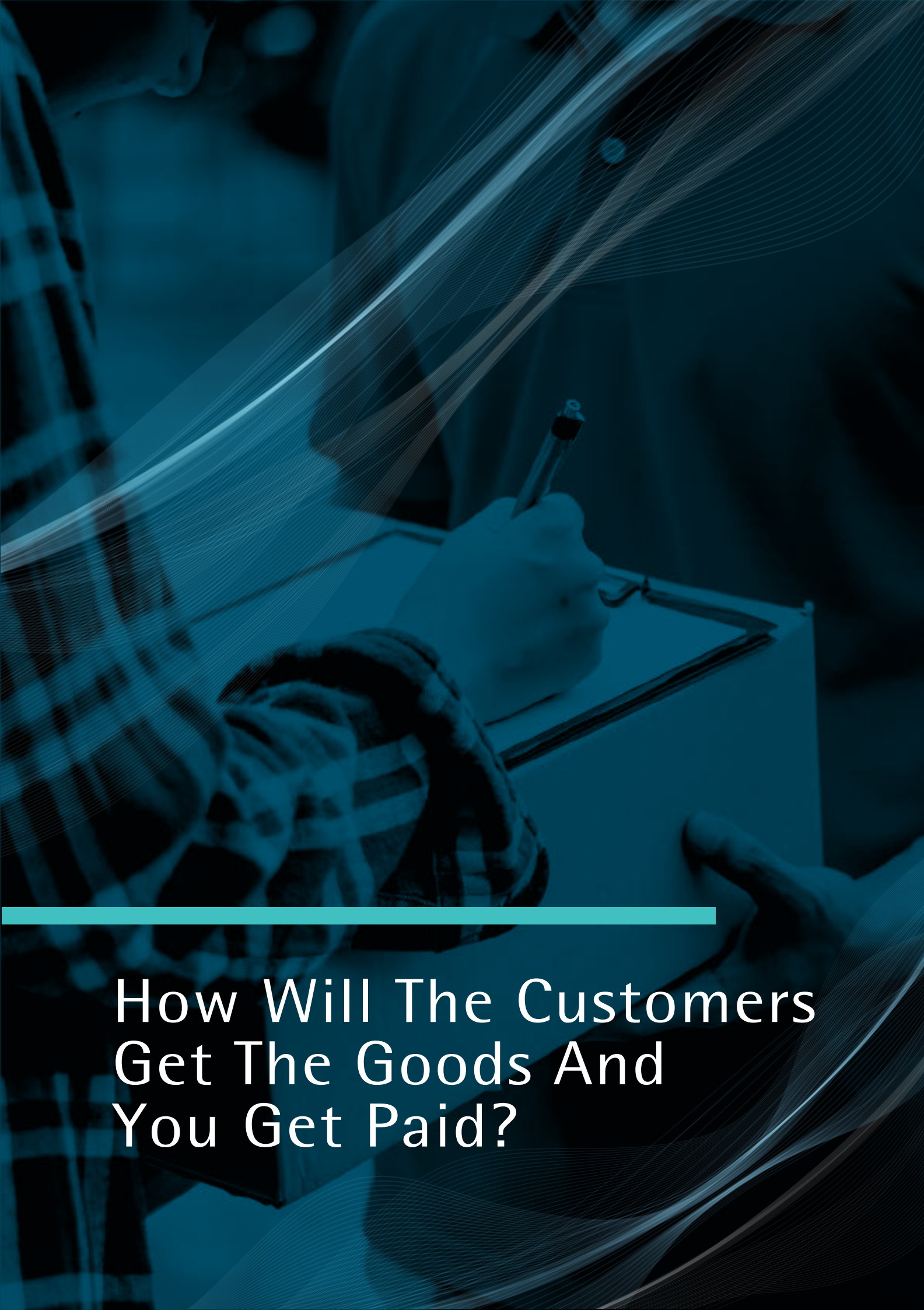
Who Are Your Competitors And How Do You Compare?

Unique selling point (USP)

The USP is the thing that makes your business different from your competitors. It might be specific to your product/service or it might relate to the way you run your business. It would be the reason why a customer stopped using a different business and became your customer. Be specific and avoid generalities like better quality product, better customer service or cheaper products. Consider how you will show your customers that you are the better choice.

If you can't think of a USP you need to review and improve your business idea so that there is something that makes you different or better than your competitors.

So that there is something that makes you different or better than your competitors.



How Will The Customers Get The Goods And You Get Paid?

How Will The Customers Get The Goods And You Get Paid?

OPERATIONS AND LOGISTICS

Purpose of this section

It's important to work out how your business will work on a day-to-day basis. It's easy to forget little things and it's surprising how many people forget big things, like working out when and how to get paid. Imagine you are preparing for your first sale; work through the different stages, from making or buying your product through to delivering it and taking the money.

How to complete this section

Different stages to think about are outlined in the illustration below. You must include all costs in your cash flow forecast in pg 40; 3. CASH FLOW FORECAST.

How Will The Customers Get The Goods And You Get Paid?

1. Production

If you are making your product, how long will it take? If you are buying it, how long will delivery take? Is there a minimum order? Do you have to pay upfront? How much stock do you really need to order? Who and where are you ordering from? Is the supplier reliable?

2. Delivery to customers

How long will it take to deliver your products to your customers and how will it be delivered? Is delivery cost included in product cost or will you charge customers extra?

3. Payment

When will you get paid and how – e.g. with credit cards, cheques or cash? The payment methods you choose can have impact on cost of running the business. For example, a merchant service provider often charges a monthly fees plus a percentage of transaction. This will affect how much you charge for your product or service. Will your customers pay you upfront or pay a deposit and pay the rest when you finish? Who will do your accounts and how often?

How Will The Customers Get The Goods And You Get Paid?

4. Suppliers

Explain who you have chosen, what they will supply and when you will pay them, for example, upfront, or within 30 or 90 days. Consider how your costs and prices will differ if you are buying or selling your products wholesale. Include at least 2 quotes and back up option in case they let you down.

5. Equipment

What equipment do you need – e.g. a computer, a mobile phone, a sewing machine. What will you use each item for, how much will it cost and where will you buy it from or do you own it already?

6. Premises

Where will you run your business from? Describe the space and explain why it's suitable. Working from home may be easiest and cheapest but will it work? If you plan to rent premises, think about the cost, the type of contract, the facilities (like telephone, internet) and whether it is convenient for your customers. If you are selling on a market, when will you trade? How do you rent a stall? Is there a waiting list?

How Will The Customers Get The Goods And You Get Paid?

7. Transport

How will you get about, for example, to pick up stock or meet customers. How much will it cost? Do you need a driving license? If you do and you don't have one, what will you do?

8. Legal requirements

What laws apply to your business, e.g. Halal, health and safety? Do you need a license? Where would you go to get legal advise.

9. Insurance

Insurance protects your business against risk. Make sure you research insurance you need for your business and get at least 2 quotes for each.

10. Management and staff

Will you run the business on your own? If people will be helping you, what will they do?

How Much Will It Cost?

How Much Will It Cost?

COST AND PRICING STRATEGY

Purpose of this section

Before you decide how much to sell your products/services for, you need to work out how much each one costs you to make and deliver. This will stop you selling things for less than they cost.

The price you charge customers for a product/service must be higher than its cost and include enough money to cover the extra costs of running your business (for example, petrol, bills, rent etc.) and your essential personal costs taken from your personal survival budget. The difference between an item's cost and its price is its profit margin.

How to complete this section

To work out your costs, use the table provided. Each of the rows are explained below. If you are completing this form in Microsoft Excel, these sections will calculate automatically.

DARe
Darussalam Enterprise

How Much Will It Cost?

A. If you can't work out the price of a single product/service,you can work out the price of a batch. For example, for food this might be on portions of four or for T-shirts, a batch of 10.

B. Break down your product/ service into parts (for example, different materials, packaging, labels, etc.) and put each one in a separate box. Work out the cost of each and write it down in the relevant box.

C. Work out the total cost of the different parts of your product/ service (add up all costs in B).

D. If you worked out the cost of a batch, i.e. for more than one product/service, to work out the cost of an individual unit, divide the total cost (cost C) by the number of products/ services in your batch (cost A).

DARe
Darussalam Enterprise

How Much Will It Cost?

E. Work out a price that will cover the business overhead costs and give reasonable profit. Compare this price with your competitors to see where you stand. This (cost E) is the price you will charge your customers.

F. Work out the difference between your unit cost (cost D) and your price per unit (cost E). This difference is your gross profit ($).

G. Work out the gross profit margin as a percentage (%) by dividing your gross profit (cost F) by your unit price (cost E) and multiplying by 100.

H. Work out the mark up by dividing your gross profit (cost F) by your unit cost (cost D) and multiplying by 100.

Once you have worked out the price for each of your products/services, compare it to your competitors. If your price is more expensive, you need to think whether customers will pay extra to buy from you.

How Much Money Will You Make?

How Much Money Will You Make?

FINANCIAL FORECASTS :

1. SALES AND COSTS FORECAST

A sales forecast shows how many sales you are aiming to achieve in your first year and how much money you receive. It's hard to know what a realistic number of sales might be so it's better to plan for the worst case.

For lots of businesses, the number of sales made is affected by external factors such as festivities (Ramadhan, Hari Raya, Chinese New Year), holidays, seasons, weather, etc. Think whether you expect your sales to be different in some months and show this in your sales forecast.

A cost forecast shows how much money you will spend on products/services if you achieve the number of sales in your sales forecast.

How Much Money Will You Make?

Complete the sales/costs forecast table provided, following the instructions shown below. If you are completing this form in Microsoft Excel, these sections will calculate automatically.

Sales Calculation:

A. Write in the names of the months. Month one should be the month in which you plan to start trading.

B. Write down how many sales you plan to make in each month. To do this, work out how many products/services you think you can sell in a day. Multiply that number by the number of days in a week you plan to trade. Lastly, multiply that number by 4.3 (average number of weeks in a month) to give you the number of sales you plan to make in a month.

C. Work out how much money you will make each month. To do this, take the number of sales (B) and multiply it by its price (cost F in the cost/price table in section nine). The total income you receive from sales in a year is your total sales, also known as sales turnover.*

How Much Money Will You Make?

Costs calculations:

D. Work out how much money you will spend each month if you make your predicted sales. To do this, take the number of sales (B) and multiply it by its cost (cost D in the cost/price table in section nine).*

Assumptions:

E. Describe any assumptions you made, for example, external factors affecting number of sales. For example, if you were selling umbrellas you would expect higher sales during rainy season.

How Much Money Will You Make?

FINANCIAL FORECASTS :

2. PERSONAL SURVIVAL BUDGET

Purpose of this section

A survival budget shows the amount of money you need each month to live on. To work it out add up all the money you spend and take away any money you get as income from sources other than your business.

How to complete this section

Complete the personal survival budget table provided, following the instructions shown below.* If you are completing this form in Mircosoft Excel, these sections will calculate automatically.

How Much Money Will You Make?

A. List all the different things you spend money on each month. Some of these will have predictable costs, for example, rent, and others will vary, for example, dining out. For the items that vary, you should work out how much on average you spend a month. Do not include your business costs.

Things you might want to include are:

- home financing/rent
- electricity
- water
- personal and property insurances
- food
- clothing
- telephone
- entertainment (meals, cinema etc.)
- subscriptions (gym, magazines, etc.)
- car insurance
- car service and maintenance
- car running cost
- children's expenditure and present
- savings plan
- credit card and personal loan repayments

How Much Money Will You Make?

B. Add up all the different costs in part A to work out your total monthly costs.*

C. List income you receive every month; including income from a part-time job or any other income.

D. Add up all the different amounts in part C to work out your total monthly income.*

E. To work out the income you require from your business, take away your total costs (B) from your total income (D).*

How Much Money Will You Make?

FINANCIAL FORECASTS :

3. CASH FLOW FORECAST

Purpose of this section

A cash flow shows how much money is expected to come in and out of your business. It brings together all the work you have done in your plan. You must complete the forecast realistically.
Make sure you:

- include seasonal changes in overhead costs
- allow for delays between when you make a sale and when you receive payment
- do not over estimate how much stock you will need
- split costs that can be paid on a monthly or quarterly basis

Once you start your business you will have to keep a record of your actual income and expenditure and you should compare this to your plan to give you an idea of how well your business is doing.

How Much Money Will You Make?

How to complete this section

Complete the cash flow forecast table provided, following the instructions below.
* If you are completing this form in Mircrosoft Excel, these sections will calculate automatically.

A. The columns show the months in your first year of trading. Write in the names of the months. They should be the same as in your sales/costs forecast in pg 35; 1. SALES AND COSTS FORECAST*

B. The top rows show money coming into your business and when. You should list each type of income on a different line. Typical types of income you should include are:

- income from sales (should be the same as in your sales/costs forecast in pg 35; 1. SALES AND COSTS FORECAST)*
- loan funding
- any of your own money that you are putting into the business

C. For each month add up the total amount of money you have coming into your business.*

How Much Money Will You Make?

D. The middle rows show money going out of your business. List each cost on a different line. Include all the costs you have worked out in earlier sections of your business plan, for example, marketing costs, equipment costs, personal survival budget. Other costs to include are:

- tools
- materials/stock
- rent
- electricity/water
- phone
- postage
- printing and stationery
- insurance
- motor repairs/maintenance
- petrol/diesel/other travel costs
- IT costs
- loan repayments

You should explain what each cost relates to in your costs table in pg 44; 4. COST TABLE of your business plan.

E. For each month add up the total amount of money you have going out of your business.*

How Much Money Will You Make?

F. The bottom rows show how much money is in your business at the beginning and end of each month.

a) **Balance**
take the money earned in that month (C) and subtract the money spent (E).*

b) **Opening balance**
should be the same as the closing balance of the previous month.*

c) **Closing balance**
the month's opening balance (b) plus the current month's balance (a).*

Breakeven

Your breakeven point is the number of sales you need to make to cover the costs of running your business. To calculate your breakeven:

G. Work out the annual cost of running your business (The total column in row E of your cashflow).

H. Divide cost G by your gross profit (row F in the cost/price table in section nine).

I. To work out how many sales you need to make in a week, divide H by the number of weeks in a year you expect to work.

J. To work out how many sales you need to make in a day, divide J by the number of days in a week you expect to work.

How Much Money Will You Make?

FINANCIAL FORECASTS :
4. COST TABLE

Purpose of this section

The costs table explains what is included in each cost in your cash flow. It also explains what assumptions you have used to work the cost out.

For example, you might have a cost line for travel to pay for the petrol you need. In the costs table you would explain how much petrol you have assumed you will use (for example, how many tanks) and how much you have assumed that will cost (for example, how much one tank costs).

How to complete this section

If you have explained your costs in your cash flow in a different section of your business plan, you should write in the costs table where the detailed breakdown of the costs can be found. For example, your marketing costs will be explained in section five.

For all other costs in your cash flow you should explain what they include and how you have worked them out.

DARe

Darussalam Enterprise

OUR VISION & MISSION

To build enterprises into dynamic & resilient drivers of economic growth, and we will achieve this by enabling enterprise growth through a pro-business ecosystem with necessary infrastructure, reliable support and effective development programmes.

Design & Technology Building, Spg 32-37,
Kg Anggerek Desa, Bandar Seri Begawan
BE3713,Brunei Darussalam

darussalamenterprise

DARE.GOV.BN