



Sample Business Plan Outline

Crown Financial Ministries New Zealand



Introduction

The Lord encourages us to plan. Proverbs 21:5 says, “Good planning and hard work lead to prosperity, but hasty shortcuts lead to poverty” (NLT). Jesus gave us this illustration, which is recorded in Luke 14:28-30, “*But don’t begin until you count the cost. For who would begin construction of a building without first calculating the cost to see if there is enough money to finish it? Otherwise, you might only complete the foundation before running out of money, and then everyone would laugh at you. They would say, ‘There’s the person who started that building and couldn’t afford to finish it!’*”.

We need to plan, but we must recognise that the Lord has ultimate control over the outcome. Proverbs 16:9 states, “*We can make our plans, but the Lord determines our steps*”.

If you want to get serious in your walk with the Lord, we recommend you develop a personal plan, which involves five disciplines.

1. **Plan to read, study and meditate on the Bible** – no spiritual discipline is more important than spending time in God’s Word. Find a study guide that suits your personality and interests.
2. **Plan to pray.** Most of us will be more consistent with prayer if we establish a regular time in our daily schedule to pray. It is helpful to develop a list of people and circumstances for which to pray.
3. **Plan to have time alone with God.** Schedule some time each year to be alone with God, with no other distractions. Take your Bible, a pen, and some paper. Read. Pray. Rest. Have a really good conversation with the Lord, and write down what you sense he is saying to you.
4. **Plan to have regular fellowship with other Christians,** both within your church and with other business peers.
5. **Plan to read Christian books.** There are so many books available today, so it is important to be selective in what you read. Reading should involve not only scanning the words but also meditating on the thoughts they express.

Steps in business planning are:

1. Identify the **core values** of the business – the values you will not compromise under any circumstances.
2. Draft a **mission statement** that defines the reasons for the existence of the business – it needs to be purpose-oriented.
3. Establish **measurable objectives** – what is it that you want to achieve through the business?
4. **Formulate a plan** for achieving your objectives – one that is consistent with your mission and values. The plan addresses issues such as financing your business, organisation, marketing, personnel needs, and income and expense forecasts.
5. **After planning, provide for accountability** – to help the business remain focussed on implementing the business plan.
6. **After planning, measure** – it provides the facts we need to adjust our actions to achieve our goals.

Business Status Summary

- New business start-up plan: Summary of why a start-up is viable.
- Current business plan: Describe the current status of the business and why it is necessary to write a new plan.

Business Basics

- How will the business ownership be structured?
- What is the business? Describe in detail what the business will do.
- What justifies the business? Describe why the business makes sense from a personal and financial perspective.
- Why do you want to be in business and what do you hope to accomplish in business?
- What are your short-term, mid-range and long-term goals for the business?
- What is your business model?

Revenue Plan (Know your numbers!)

- Describe each revenue source.
- What can be expected from each source?
- What are the business revenue basics as you know them?
- How will you know when you are on pace with your Financial Plan?

Capitalization Plan

- What will it cost to position yourself to generate the current, mid- and long-range revenue plan (e.g., buildings, equipment, inventory, etc.)? Create a detailed list with actual or projected costs for each expense category.

Marketing Plan

- Who is your competition?
- What is your competitive advantage?
- What will it cost to develop and grow your market share?
- How will you secure ongoing and growing business?

Human Resource Plan

- What personnel will you need to generate the current, mid- and long-range revenue plan? Budget the wage and overhead cost for each.

Financial Plan

- Start-up budget: List where and how you will secure capital to accomplish this start-up and its desired growth.
- Project a 5-year Balance Sheet (Assets and Liabilities).
- Project a 5-year Profit and Loss Statement (Income and Expense).
 - Income projections
 - Cost of materials/supplies = cost of goods sold
 - Sales overhead
 - General and administrative costs = overhead
 - Projected margin = profit margin
- How will you manage company earnings?
 - Percentage to retained earnings

- Percentage to profit sharing
- Percentage to charitable contributions
- Percentage to shareholder dividends
- Summarize the Financial Plan.
 - Projected cost of sales
 - Projected operations overhead
 - Projected general and administrative overhead
 - Projected margins

Personal Business Principles and Policies

- List your personal long-term goals for the business: What do you want to accomplish?
- Explain why you have chosen business over employment.
- List your goals in the following areas:
 - Describe how you see business and your commitment to Christ interacting.
 - Use of money.
 - Use of time.
 - Ethical issues.
 - Paying taxes.
 - Policy making.
 - Use of company property.
 - Confession and restitution.
 - Business standards.
 - Personal standards: What are the standards you would want others to hold you to?
 - How will business affect the interconnection of your faith, family, employees, customers, and mentors?
 - Things to avoid—things you should not do.
 - Things you want to accomplish: What is important?
- Employee practices
 - Hiring
 - Motivation
 - Dismissal
 - Steps to dismissal
 - Aborting dismissal
- Management selection
 - Criteria for managers
- Debt-management principles
 - Short-term debt
 - Long-term debt
 - Debt guidelines: List things you would borrow for and things you would not.
- Credit Principles
 - Develop your business credit terms.
 - How will you handle overdue and collection accounts?
- Establish your policy for suing and being sued.

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