



Northern Periphery and
Arctic Programme
2014-2020



EUROPEAN UNION

Investing in your future
European Regional Development Fund

Insert Company Name

Business Plan

Insert years -

Company Details

Business Name

Business Address

Business Telephone

Business Email

Principal Contact

Nature of business CLG / sole trader etc

Company Registration Number

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1. Executive Summary

Provide a quick overview of the business here. Tell your story but be concise.

1.1 The Problem

What is the issue that you are planning to solve for your customer? How big is the problem? What are the existing solutions and why do they leave a gap in the market?

1.2 The Solution

How does your business solve the problem? What makes you special? How does it add value for your customer? How will it benefit the Literary Tourism sector?

1.3 Highlights

Identify the positive attributes of your business. Remember that most readers of your business plan will only consider the Executive Summary in detail. It should therefore be structured to quickly grab the attention of the reader and show why your business has potential.

It could be beneficial to include a simple graphic or table which outlines a couple of the positive metrics for the business. Obvious indicators of success, market potential or financial viability would all be excellent highlights

Outline the key elements of your business proposition and what sets it apart from your competition.

1.4 Keys to Success

What are the main steps you'll need to take to be successful (3-6 steps)?

2. Team and Organisation

2.1 Mission Statement

The mission statement is a short "rallying cry" for the business. It communicates in a single sentence what you want your business to achieve.

Examples

- Ireland's leading literary tourism bookshop, provider of premium products and premium services for literary tourists along the Wild Atlantic Way.
- "We seek to be Earth's most customer-centric company for four primary customer sets: consumers, sellers, enterprises, and content creators." Amazon
- "To refresh the world; to inspire moments of optimism and happiness; to create value and make a difference." -Coca-Cola

2.2 Core Principles / Values

How do you carry out your business? What are the principles which guide the work that you do and how you operate e.g. Integrity, Respect, Collaboration, Flexibility, Quality etc.?

State the principles which guide your business and what they mean to your business e.g.:

Sustainability	We are committed to.....
Excellence	We seek to deliver excellence
Partnership	We work with collaborative partners
Etc...	

2.3 Management and Team

Who is behind your business? We need hear about who is behind this business because people buy people, and your organisation's personnel are central to why people will trust what you have to offer.

Start with yourself. Your education and employment background, and any other relevant knowledge or experience that you have. This section MUST convincingly explain why you are so likely to make this business a success

- If you have a team in place, or plan to have a team in place at an early stage introduce the team that is working on this with you? What are their backgrounds? What industry experience do they have?
- What makes your team qualified to make your business a success?
- Who else do you need to make the business a success – who do you need to hire in the future?

Professional and Advisory Support	
Board of Directors	[names]
Management Advisory Board	
Solicitor	
Accountant	
Insurance Agent	
Banker	
Consultant(s)	
Mentors and Key Advisors	

2.4 Company Goals and Objectives

Business goals and objectives provide more detailed explanation of the practical running of the business. It can include information such as market-share goals, production goals, staff goals, customer satisfaction goals and financial goals.

Examples:

- Deliver a new literary tourism experience on Ireland's Wild Atlantic Way for the tourism season 2021
- Create sustainable partnerships with other literary tourism providers to develop a trail for LT in the western region
- Obtain a market share of 25% by the end of July 2020
- Have a net profit margin of 15% by Q2 2022
- Have a minimum customer satisfaction rating of 95%

3. Products / Services / Experiences

Describe the benefits of your goods and services from your customers' perspective. Successful business owners know or at least have an idea of what their customers want or expect from them. This can be helpful in building attracting customers, ensuring customer satisfaction and loyalty, and maintaining competitiveness.

Describe:

1. What you are selling / what your business does
2. How your product/service/experience will benefit the customer
3. Which products/services are in demand?
4. What is different about the product or service your business is offering?

4. Market Analysis

4.1 Market Summary

Outline what you know about your market How big is the market for your business & how much demand is there?

Understand the context in which your business operates

External environment

- What external influences, external to your business (political, social, sectoral, technological etc. are likely to impact your business and why?

Internal environment

- What internal issues e.g. resources, finances, technology, adaptability etc. are likely to impact the potential for business development?

4.2 Market Research

What research have you carried out to enable you to plan effectively for your business? How do you know that what you are offering is what is needed in the marketplace?

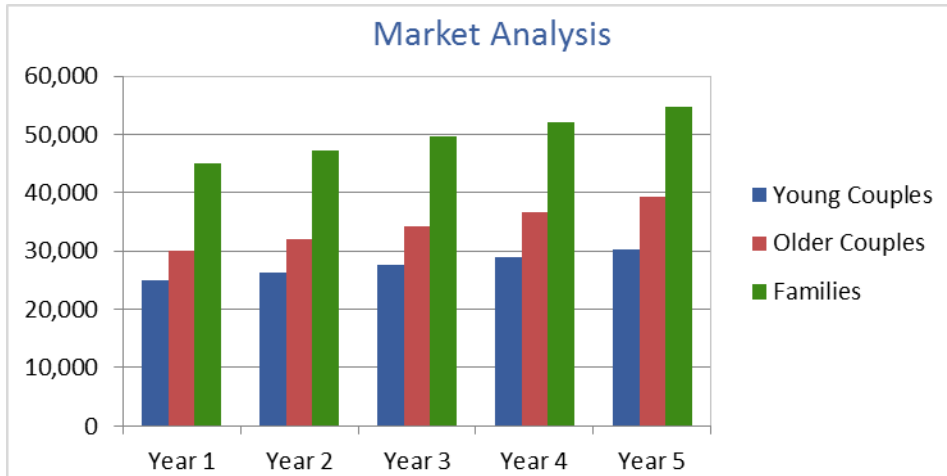
- Carry out market research to understand your customer need, market size, market share, standards, trends and expected changes.
 - Are your markets growing, steady, declining?
 - Is your market share growing, steady, declining?
 - How is your market segmented?
 - Are your markets large enough to expand?
 - How will you attract, hold, increase your market share?
 - What is your pricing strategy?
- Outline what you consider to be the scale and size of the market and where your business/organisation sits within this marketplace.
- Make business decisions based on your understanding of the market and your customer needs

4.3 Customers

The key element of a successful marketing plan is to know your customers -- their likes, dislikes, expectations. By identifying these factors, you can develop a marketing strategy that will allow you to arouse and fulfill their needs.

- Identify your customers and customer segments
- These can be a range of different segments from agency partners to end users of your products / services.
- Define your core customers / your market segments.
- Outline what you know about each segment – the more you know about them the easier it is to create communications and marketing strategic that will connect with them and engage them with your business
- How much will your target audience pay for your product/service/experience?

e.g.



[Optional caption]

4.4 Competition

Assess your competition. Who are your competitors? For some businesses these will be direct competition – for others especially relating to entertainment or leisure etc this can be a much wider pool – essentially anyone who might take your customers attention, time, money over your business.

Look at your business against what your competitors have to offer. Establish your competitive advantage over each competitor and each success factor. If you do not have a competitive advantage in a specific area this will be an area for future development if it meets your market segment.

- Who are your five nearest direct competitors?
- Who are your indirect competitors?
- How are their businesses: steady? increasing? decreasing?
- What have you learned from their operations? from their advertising?
- What are their strengths and weaknesses?
- How does their product or service differ from yours?
- What makes you more competitive than them?
- What would compel them to choose you over what else is available?

Critical Success Factor

Our Business

Competitor A

Competitor B

Competitive advantage

<i>Products</i>				
<i>Price</i>				
<i>Quality</i>				
<i>Selection</i>				
<i>Service</i>				
<i>Reliability</i>				
<i>Stability</i>				
<i>Expertise</i>				
<i>Reputation</i>				
<i>Location</i>				
<i>Appearance</i>				
<i>Sales Method</i>				
<i>Credit Policies</i>				
<i>Advertising</i>				
<i>Image</i>				

4.5 SWOT Analysis

Complete a SWOT (Strengths, Weaknesses, Opportunities, Threats) for your business. Your business objectives should be based on:

- Building on your strengths
- Maximising opportunities for the business
- Reducing weaknesses
- Assessing and mitigating risks and threats to business success

e.g.

Strengths

- Knowledge, commitment and capability of personnel
- Network of industry contacts
- Loyal customer base

Weaknesses

- Lack of targeted visibility online for core proposition
- Clarity of path to purchase for consumers

Opportunities

- Leveraging potential for international sales
- Opportunities to drive greater levels of sales online

Threats

- Continuing lack of clarity vis a vis Covid-19
- Financial impact of Covid 19 on business

5. Strategy & Implementation

5.1 Strategic Goals (Keys to Success)

What are the main steps you'll need to take to be successful?

Milestone	Start Date	Duration	End Date	Budget
Milestone #1	15/09/2018	60	14/11/2018	€10,000
Milestone #2	15/10/2018	60	14/12/2018	€20,000
Milestone #3	14/11/2018	60	13/01/2019	€30,000
Milestone #4	14/12/2018	120	13/04/2019	€20,000
Milestone #5	13/01/2019	120	13/05/2019	€10,000
Milestone #6	12/02/2019	30	14/03/2019	€20,000
Total				€110,000

5.2 Customer Engagement – Marketing

How will you gain new customers? How will you persuade them to purchase your products and/or services?
Customer Acquisition Strategies include:

- Advertising
- Other Promotion
- Email
- Referrals
- Content marketing
- Inbound marketing
- Social Media marketing
- Trade Shows / Showcases
- Events
- Retail space
- Pop-ups

How much money will it take to gain them? Promoting your business to potential customers is almost never free. For those using traditional methods such as advertising or having a high street presence the costs are obvious. However, a lot of the approaches that are touted as "free" also have a cost. If you are using emails, social media or content-based marketing you will need to put time and effort into developing these avenues. Many businesses that use this form of marketing often end up paying somebody to do some or all of the work for them, paying for professional grade promotion tools and so on.

5.3 Pricing Strategy and Revenue Model

It is important to consider what your pricing strategy will be. Your pricing strategy is another marketing technique you can use to improve your overall competitiveness. Get a feel for the pricing strategy your competitors are using. That way you can determine if your prices are in line with competitors in your market area and if they are in line with industry averages.

Pricing strategies include:

- retail cost and pricing
- competitive position
- pricing below competition
- pricing above competition
- packaging / multiple pricing
- service costs and pricing (for service businesses only)
 - services
 - materials costs
 - labour costs
 - overheads

The key to success is to have a well-planned strategy, to establish your policies and to constantly monitor prices and operating costs to ensure profits.

What is your revenue model? How will you generate specific sources of revenue and who will pay for the product or service that you are offering? How will you collect this?

Examples

- Mark-up / Margin also referred to as cost+ pricing
- Licensing
- Commission
- Arbitrage (find a price difference and exploit it)
- Rent / Lease
- Subscription
- Advertising
- Fee-for-service

6. Financial Plan & Projections

6.1 Expenses and Funding

Expenses	
<i>Fixed Costs</i>	
Legal and Licenses	€5,000
Stationery and Supplies	€3,000
Insurance	€10,000
Rent	€2,000
Office Equipment	€5,000
Website Development	€5,000
Print Advertisements	€10,000
Brochures	€5,000
Total Fixed Costs	€45,000
<i>Average Monthly Costs</i>	
Rent	€2,000
Utilities	€5,000
Salaries / Wages	€5,000
Total Average Monthly Costs	€12,000
x Number of Months:	6
Total Monthly Costs	€72,000
Total Expenses	€117,000
Funding	
<i>Owner Funding</i>	
Owner 1 Cash	€50,000
Owner 2 Cash	€50,000
Other	
Total Owner Funding	€100,000
<i>Loans</i>	
Bank Loan 1	€0
Bank Loan 2	€0
Other	
Total Loans	€0
<i>Other</i>	
Grant 1	€0
Grant 2	€0
Other	
Total Other Funding	€0
Total Assets	€100,000

6.2 Sales Forecast

In most cases sales forecasts are going to be based on units sold multiplied by the price per unit. The key issue is what assumptions are you making and how might they change? Are the assumptions reasonable given the rest of the business plan?

Units Sold	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Total Units Sold
Product/Service A	500	525	550	575	550	525	525	550	575	600	650	650	6775
Product/Service B	1500	1000	1000	1250	1250	1500	1500	1750	2000	2500	3000	3000	21250

Unit Price													Avg Unit Price	
Product/Service A	€19.99	€19.99	€19.99	€19.99	€19.99	€19.99	€19.99	€19.99	€19.99	€19.99	€19.99	€19.99	€19.99	€19.99
Product/Service B	€14.99	€14.99	€14.99	€14.99	€14.99	€14.99	€14.99	€14.99	€14.99	€14.99	€14.99	€14.99	€14.99	€14.99

Sales Growth Rate													Avg Growth Rate
Product/Service A	0%	5%	5%	5%	-4%	-5%	0%	5%	5%	4%	8%	0%	2%
Product/Service B	0%	-33%	0%	25%	0%	20%	0%	17%	14%	25%	20%	0%	8%

Revenue													Total Revenue
Product/Service A	€9,995	€10,495	€10,995	€11,494	€10,995	€10,495	€10,495	€10,995	€11,494	€11,994	€12,994	€12,994	€135,432
Product/Service B	€22,485	€14,990	€14,990	€18,738	€18,738	€22,485	€22,485	€26,233	€29,980	€37,475	€44,970	€44,970	€318,538
Total Revenue	€32,480	€25,485	€25,985	€30,232	€29,732	€32,980	€32,980	€37,227	€41,474	€49,469	€57,964	€57,964	€453,970

Unit COGS													Avg COGS
Product/Service A	€5	€5	€5	€5	€5	€5	€5	€5	€5	€4	€4	€4	€4
Product/Service B	€3	€3	€3	€3	€3	€3	€3	€3	€3	€3	€3	€3	€3

Margin Per Unit													Avg Margin
Product/Service A	€15	€15	€15	€15	€15	€15	€15	€15	€15	€16	€16	€16	€16
Product/Service B	€12	€12	€12	€12	€12	€12	€12	€12	€12	€12	€12	€12	€12

Gross Profit													Total
Product/Service A	€7,745	€8,132	€8,520	€8,907	€8,520	€8,132	€8,132	€8,520	€8,907	€9,594	€10,394	€10,394	€105,895
Product/Service B	€17,835	€11,890	€11,890	€14,863	€14,863	€17,835	€17,835	€20,808	€23,780	€29,725	€35,670	€35,670	€252,663
Total Gross Profit	€25,580	€20,022	€20,410	€23,769	€23,382	€25,967	€25,967	€29,327	€32,687	€39,319	€46,064	€46,064	€358,557

6.3 3-Year Sales Forecast

	Year 1	Year 2	Year 3	Yr 2 vs Yr 1	Yr 3 vs Yr 2
Total Units Sold				% Change	
Product/Service A	6775	7500	8850	11%	18%
Product/Service B	21250	27250	33750	28%	24%
Product/Service C	3650	4375	5500	20%	26%
Avg Unit Price				Difference	
Product/Service A	€19.99	€19.99	€19.99	€0.00	€0.00
Product/Service B	€14.99	€14.99	€14.99	€0.00	€0.00
Product/Service C	€49.99	€54.99	€59.99	€5.00	€5.00
Avg Sales Growth Rate				Difference	
Product/Service A	2%	1%	2%	-1%	1%
Product/Service B	8%	6%	4%	-2%	-2%
Product/Service C	8%	2%	3%	-6%	1%
Total Revenue				Difference	
Product/Service A	€135,432	€149,925	€176,912	€14,493	€26,987
Product/Service B	€318,538	€408,478	€505,913	€89,940	€97,435
Product/Service C	€182,464	€240,581	€329,945	€58,117	€89,364
Total Revenue	€636,434	€798,984	€1,012,770	€162,550	€213,786
Avg Unit COGS				Difference	
Product/Service A	€4.38	€4.08	€3.75	(€0.30)	(€0.33)
Product/Service B	€3.10	€3.05	€3.01	(€0.05)	(€0.04)
Product/Service C	€1.55	€1.51	€1.36	(€0.04)	(€0.15)
Avg Margin Per Unit				Difference	
Product/Service A	€15.62	€15.91	€16.24	€0.29	€0.33
Product/Service B	€11.89	€11.94	€11.98	€0.05	€0.04
Product/Service C	€48.44	€53.48	€58.63	€5.04	€5.15
Total Gross Profit				Difference	
Product/Service A	€105,895	€119,431	€143,868	€13,536	€24,437
Product/Service B	€252,663	€326,003	€405,188	€73,340	€79,185
Product/Service C	€176,806	€234,025	€322,613	€57,219	€88,588
Total Gross Profit	€535,364	€679,459	€871,669	€144,095	€192,210

6.4 Profit and Loss Projection

INCOME	2018	% of OI	2019	% of OI	2020	% of OI
Operating Income						
Category 1	€100,000	€1	€1,432,222	€1	€2,323,232	100.0%
Category 2		-		-		-
Category 3		-		-		-
Category 4		-		-		-
Total Operating Income (OI)	€100,000	€1	€1,432,222	€1	€2,323,232	100.0%
Non-Operating Income						
Interest Income						
Rental Income						
Gifts Received						
Donations						
Total Non-Operating Income	€0		€0		€0	
Total INCOME	€100,000	€1	€1,432,222	€1	€2,323,232	100.0%
EXPENSES						
Operating Expenses						
Accounting and Legal		-		-		-
Advertising		-		-		-
Depreciation		-		-		-
Dues and Subscriptions		-		-		-
Insurance		-		-		-
Interest Expense		-		-		-
Maintenance and Repairs		-		-		-
Office Supplies		-		-		-
Payroll Expenses		-		-		-
Postage		-		-		-
Rent		-		-		-
Research and Development		-		-		-
Salaries and Wages		-		-		-
Taxes and Licenses		-		-		-
Telephone		-		-		-
Travel		-		-		-
Utilities		-		-		-
Web Hosting and Domains		-		-		-
Total Operating Expenses	€0	-	€0	-	€0	-
Non-Recurring Expenses						
Furniture, Equipment & Software		-		-		-
Gifts Given		-		-		-
Total Non-Recurring Expenses	€0	-	€0	-	€0	-
Total EXPENSES	€0	-	€0	-	€0	-
Net Income Before Taxes	€100,000		€1,432,222		€2,323,232	
Income Tax Expense						
NET INCOME	€100,000		€1,432,222		€2,323,232	
Owner Distributions / Dividends						
Adjustment to Retained Earnings	€100,000		€1,432,222		€2,323,232	

6.5 Balance Sheet

Assets	2019	2018
Current Assets		
Cash	€11,874	
Accounts receivable		
Inventory		
Prepaid expenses		
Short-term investments		
<i>Total current assets</i>	€11,874	€0
Fixed (Long-Term) Assets		
Long-term investments	€1,208	
Property, plant, and equipment (Less accumulated depreciation)	€15,340	
Intangible assets	-€2,200	
<i>Total fixed assets</i>	€14,348	€0
Other Assets		
Deferred income tax		
Other		
<i>Total Other Assets</i>	€0	€0
Total Assets	€26,222	€0
Liabilities and Owner's Equity		
Current Liabilities		
Accounts payable	€8,060	
Short-term loans		
Income taxes payable	€3,145	
Accrued salaries and wages		
Unearned revenue		
Current portion of long-term debt		
<i>Total current liabilities</i>	€11,205	€0
Long-Term Liabilities		
Long-term debt	€3,450	
Deferred income tax		
<i>Total long-term liabilities</i>	€3,450	€0
Owner's Equity		
Owner's investment	€7,178	
Retained earnings	€4,389	
<i>Total owner's equity</i>	€11,567	€0
Total Liabilities and Owner's Equity	€26,222	€0
Common Financial Ratios		
Debt Ratio (Total Liabilities / Total Assets)	0.56	
Current Ratio (Current Assets / Current Liabilities)	1.06	
Working Capital (Current Assets - Current Liabilities)	669	-
Assets-to-Equity Ratio (Total Assets / Owner's Equity)	2.27	
Debt-to-Equity Ratio (Total Liabilities / Owner's Equity)	1.27	

6.6 3-Year Cash Flow

CASH BALANCE		2018	2019	2020
Date Ending		9/3/2015	9/3/2016	9/3/2017
Cash at Beginning of Period		€5,000	€5,000	€5,000
Cash at End of Period		€5,000	€5,000	€5,000
CASH INFLOWS		2018	2019	2020
<i>Cash from Operations</i>				
Receipts from Customers				
Gross Rents				
Total Cash from Operations		€0	€0	€0
<i>Cash from Financing</i>				
Issuance of Stock				
Borrowing				
Total Cash from Financing		€0	€0	€0
<i>Cash from Investing</i>				
Sale of Property and Equipment				
Collection of Principal on Loans				
Sale of Investment Securities				
Total Cash from Investing		€0	€0	€0
Total Cash Inflows		€0	€0	€0
CASH OUTFLOWS		2018	2019	2020
<i>Operations</i>				
Wages				
Inventory Purchases				
General Operating Expenses				
Interest				
Income Taxes				
Total Outflows from Operations		€0	€0	€0
<i>Financing</i>				
Repayment of Loans				
Repurchase of Stocks				
Dividends Paid				
Total Outflows from Financing		€0	€0	€0
<i>Investing</i>				
Purchase of Property and Equipment				
Making Loans to Other Entities				
Purchase of Investment Securities				
Total Outflows from Investing		€0	€0	€0
Total Cash Outflows		€0	€0	€0
NET CASH FLOW		€0	€0	€0

6.7 Business Budget

INCOME	Actual	Budget	Difference
Operating Income			
Category 1			€0
Category 2			€0
Category 3			€0
Category 4			€0
Total Operating Income	€0	€0	€0
Non-Operating Income			
Interest Income			€0
Rental Income			€0
Gifts Received			€0
Donations			€0
Total Non-Operating Income	€0	€0	€0
Total INCOME	€0	€0	€0
EXPENSES			
Operating Expenses			
Accounting and Legal			€0
Advertising			€0
Depreciation			€0
Dues and Subscriptions			€0
Insurance			€0
Interest Expense			€0
Maintenance and Repairs			€0
Office Supplies			€0
Payroll Expenses			€0
Postage			€0
Rent			€0
Research and Development			€0
Salaries and Wages			€0
Taxes and Licenses			€0
Telephone			€0
Travel			€0
Utilities			€0
Web Hosting and Domains			€0
Total Operating Expenses	€0	€0	€0
Non-Recurring Expenses			
Furniture, Equipment and Software			€0
Gifts Given			€0
Total Non-Recurring Expenses	€0	€0	€0
Total EXPENSES	€0	€0	€0
Net Income Before Taxes	€0	€0	€0
Income Tax Expense			€0
NET INCOME	€0	€0	€0

6.8 Break-Even Analysis

Selling Price (per unit)	€12.00
--------------------------	--------

FIXED COSTS

Advertising / Marketing	€1,000.00
Accounting	
Insurance	
Manufacturing	
Payroll	
Rent	
Supplies	
Taxes	
Utilities	
Other (specify)	
Total Fixed Costs	€1,000.00

VARIABLE COSTS

Per Unit

Variable Costs based on euro amount per unit

Cost of Goods Sold	€1.00
Direct Labour	
Overhead	
Other (specify)	
Total	€1.00

Variable Costs based on percentage per unit

Commissions	7.50%
Other (specify)	
Total	7.50%

Total Variable Cost per Unit	€1.90
Contribution Margin per Unit	€10.10
Contribution Margin Ratio	84.17%

Break-Even Point

Break-Even Units	100 units
Break-Even Sales	€1,188.12