My own Business Plan

(Part 1)
Business Overview

1. What business am I going to start?

Describe the business you are going to start.

. . . . . .

. . . . . .

. . . . . .

. . . . . .

. . . . . .

. . . . . .

2. Who will my market be?

Describe the people who will buy from you. Who will your customers be?

. . . . . .

. . . . . .

. . . . . .

. . . . . .

. . . . . .

. . . . . .

3. Where will I operate my business?

Describe the location you will choose for your business, and say why you believe this is a good position for your business. Where will you store your produce or raw materials? Is there competition at the location you have chosen for your business. How much will you have to pay for these premises?

. . . . . .

. . . . . .

. . . . . .

. . . . . .

. . . . . .

. . . . . .

4. What will my business sell?

Describe the product or service you will be selling.

. . . . . .

. . . . . .

. . . . . .

. . . . . .

. . . . . .

. . . . . .

5. What resources does my business need?

List the resources - equipment, materials, transport, etc. - that your business needs. Say which of these you already have and which you still need to get. Write down the cost of the resources you still need to get.

. . . . . .

. . . . . .

. . . . . .

. . . . . .

. . . . . .

6. Where will I buy my produce or raw materials?

Describe the source for your produce or raw materials. Explain why you have chosen this source. Write down the costs of the produce or raw materials you will be buying.

. . . . . .

. . . . . .

. . . . . .

. . . . . .

. . . . . .

. . . . . .

. . . . . .

*Go to page 21 to see how Vuyo works out the **Margin per Product** for Mam'Langa's business.*

(Part 2)
Margin per Product/Service

	Product/Service	Selling Price	Cost Price	Margin
1.				
2.				
3.				
4.				
5.				
6.				
7.				

*Go to page 22 to see how Vuyo works out the **Margin Prediction** for Mam'Langa's business.*

(Part 3)
Margin Prediction
(per day, per week, and per month)

Product/ Service	Margin	Sales x 1 day	Calculation (sales x margin =)	Sales x 5 days	Calculation (sales x margin =)	Sales x 20 days	Calculation (sales x margin =)	Contribution to fixed costs

Totals **Per day: R_____** **Per week: R_____** **Per month: R_____**

(Part 4)
Start-up Capital

Expenses	Amount
.....	.....
.....	.....
.....	.....
.....	.....
.....	.....
.....	.....
.....	.....
.....	.....
.....	.....
.....	.....
.....	.....

Total Start-up Capital needed .....R_____

*Go to pages 24 and 25 to see how Vuyo works out how much **Start-up Capital** Mam'Langa needed to start her business.*

*Go to pages 26 and 27 to see how Vuyo works out the **Cash Flow Prediction** for Mam'Langa's business.*

(Part 5)
Cash Flow Prediction (Budget)

Date (Day)	Details	Money In	Money Out	Balance

My personal Budget

Being in control of your money

Knowing how you spend your money is the first step to taking control of your money.

A budget shows INCOME - *the money that you earn* - and EXPENSES - *the money that you spend.*

INCOME is the total amount of money you receive every month: your wages or salary, any rent you receive or any interest you receive on your savings.

If you are employed by a Company, your wages or salary is divided into GROSS income and NET income. Your GROSS income is what you earn **before deductions**. NET income is what you get **after deductions**.

Deductions include SITE (Standard Income Tax on Employees) or PAYE (Pay As You Earn) Tax, Pension or Provident Fund contributions, UIF (Unemployment Insurance Fund) contributions, and medical aid contributions.

EXPENSES are all the things you spend money on each month. These expenses can be divided into ESSENTIAL and NON-ESSENTIAL expenses.

ESSENTIAL expenses are things you have to pay. These can be **fixed** expenses, like rent, or **changing** expenses, like food and telephone.

NON-ESSENTIAL expenses are things you choose to spend your money on, like entertainment.

You should always make place in your budget for SAVINGS and INVESTMENTS. This will help you plan for the things you want in the future.

NOTE:
The budget on the following page is an example. If you have different expenses, then change the list to suit your personal needs.

BUDGET

	DEBIT In	CREDIT Out
DEDUCTIONS & INCOME		
Gross (monthly) income		
SITE or PAYE		
Pension or Provident Fund		
UIF		
Medical Aid		
Total deductions		
Net Income		
ESSENTIAL FIXED EXPENSES		
Rent/Bond		
Levy		
Rates and Taxes		
Repayments		
Car		
Loans		
Short-term Insurance		
Household		
Car		
School Fees		
Sub-total		
SAVINGS & INVESTMENTS		
Savings		
Life Assurance		
Investments		
Sub-total		
ESSENTIAL CHANGING EXPENSES		
Accounts		
Clothing		
Furniture		
Petrol/Transport Costs		
Car Maintenance		
Food		
Electricity/Gas/Water		
Telephone		
Medical		
Sub-total		
NON-ESSENTIAL EXPENSES		
Clothes		
Hairdresser		
Alcohol		
Entertainment		
House Helper		
Sub-total		
SUMMARY		
Total Expenses		
BALANCE		

NOTES

NOTES

NOTES

NOTES

NOTES

NOTES

NOTES

WORD HELP

Words

adapt . . . . . to change something so that it works better
categories . . . . . groups or types
challenges . . . . . difficulties
contribution . . . . . what a person gives to something
committed. . . . . willing to do everything possible to succeed
commuters . . . . . people who need transport to get to work each day
definition . . . . . a statement explaining the meaning of a word
entrepreneur . . . . . any business person, or a business person with imagination and drive who has good ideas
employee . . . . . a person who works for someone else
essential . . . . . necessary
feedback . . . . . information that a business gets back from people about its service and/or products
frustrations . . . . . the things which make it difficult to achieve our goals
income. . . . . money coming into a business
location . . . . . the place where a business operates from
margin. . . . . the amount that a retailer adds onto the price of something when he/she sells it
market. . . . . all the people to whom a business sells its products or services
middleman . . . . . a trader who buys goods from producers and sells them to retailers or consumers
motivated . . . . . wanting to do something
premises . . . . . the building or place from which a business operates
perseverance. . . . . staying power or the ability to keep trying
products . . . . . the things that are made in a business
process . . . . . a series of actions for making or doing something
profit . . . . . the money made by a business after all expenses (total income less total expenses)
range . . . . . the number of different kinds of things, or the variety of goods that a business keeps
resources . . . . . the things you need to have to be able to make or do something
risks. . . . . chances that a person dares to take
seminar . . . . . a meeting to share information
skill . . . . . the ability to do something well
stock . . . . . all the goods that a business keeps
withdraw . . . . . take out
wholesalers. . . . . businesses that buy goods in bulk from factories and sell them to shops

Phrases

business plan . . . . . an outline of a business idea with detailed information about how it will work both practically and financially
cost price . . . . . what it costs a retailer to get, make or buy the things sold in his/her shop
entrepreneurial characteristics . . . . . qualities like ambition, drive, imagination, and business sense that make someone a good business person
feasibility study . . . . . research that shows whether something is possible and has a good chance of succeeding or not
formal experience. . . . . what a person has learnt from being in a job
formal jobs . . . . . work in government, business or a formal institution
manufacturing business. . . . . a business that makes goods
market research . . . . . finding out what kinds of goods or services people like and will buy
overhears. . . . . to hear what people are saying when they are talking to other people
potential market . . . . . all the people who might or could buy from a business
raw materials . . . . . the things (e.g. cloth, cotton, flour, sugar, wood, metal) needed to manufacture something
selling price. . . . . the price that a retailer sells something for once he/she has added on their margin
service business . . . . . a business that does something instead of making or selling goods (e.g. banks, taxi drivers, hair dressers, appliance fixers)
source of supply . . . . . the place (factory, farm, person, business) from where a business person buys the things they need to run their business
trading business . . . . . a business that buys and sells goods

NEED HELP?

Need help working out your Business Plan?

Need guidance, counselling, or further training?

Contact your local Business Training organisation: