

Million Makers Business Plan Guidance

Producing a business plan plays an important part of Million Makers and all teams will be expected to create one. All plans should be submitted in advance of the Dragon's Den pitch. **Please don't exceed ten pages.**

The value of creating a business plan lies in the process of researching and thinking about your Million Makers initiative in a systematic way. The act of planning helps you to think things through thoroughly, study and research if you are not sure of the facts, and look at your ideas critically. It takes time now, but avoids potentially costly mistakes later.

This document guides you through a generic business plan model suitable for all initiatives. We ask that you stick to the format and modify only when needed to suit your idea. Please try to avoid over complicating the document.

Remember

- Keep your plan simple. The best business plans aren't long and complex; they explain only the most important information – what you want, how you will get there and the things you need to do along the way
- Use the template provided, do it in chunks
- Liaise regularly with your Prince's Trust mentor and company mentors throughout the planning process – they are there to support you
- Ask your Prince's Trust contact if you would like to see examples of business plans created from previous competition years
- Avoid unnecessary content, be clear and concise
- Show a clear understanding of income and expenditure
- When devising your plans and ideas please consider the environmental impact of your activity
- Be realistic
- Ensure your own company supports your plans and are aware of them before you begin fundraising
- You do not need to go into full depth for your smaller ideas where there is little upfront cost, but please ensure you have listed **all** of your fundraising initiatives in your business plan

Contents

Please make sure your business plan also contains a table of contents

1.	Executive Summary.....	3
	1.1 Summary	3
	1.2 Mission Statement	3
2.	Team Background.....	4
	2.1 Team Goals and objectives	4
	2.2 Team Members	4
	2.3 Team Advisor	4
3.	Products and Services	5
	3.1 Product 1	5
	3.2 Product 2	5
	3.3 Product 3	5
4.	Marketing Plan	6
	4.1 Market Research - Why	6
	4.2 Market Research - How	6
	4.3 Target Market	6
	4.4 Competition	6
	4.5 Pricing	7
	4.6 Distribution Channels	7
	4.7 Promotion	7
	4.8 Promotion Budget	7
	4.9 Marketing plan chart	7
5.	Startup Expenses and Capitalization	9
6.	Financial Plan	10
	6.1 Six Month Profit and Loss Projection	9
	6.2 Projected Cash Flow	10

1.Executive Summary

Write this section last. We suggest writing no more than a page; the purpose is to give someone an overview of your business plan. When drafting it think about whether someone could read this in isolation and have enough information to understand what you are trying to achieve.

1.1 Summary

Explain the fundamentals of the proposed business: What will your product be? Who will your customers be? Who are the owners? What do you think the future holds for your business and your industry?

Make it enthusiastic, professional, complete, and concise.

If applying for seed funding, state clearly how much you want, precisely how you are going to use it, and how the money will make your business more profitable, thereby ensuring repayment.

1.2 Mission Statement - *Points 1.2 and 1.3 are not compulsory but may help give your team a focus.*

In 30 words or fewer, explain your team's reason for being and your guiding principles.

E.g. Team X mission statement is: To raise funds for The Prince's Trust whilst furthering our professional development

1.3 Values

The qualitative goals your team strives to achieve in all its activities

E.g. Creativity, integrity, collaboration, development, commitment, inspiration, equality

2. Team background

2.1 Team Goals and Objectives

Goals are destinations—where you want your team to be. Objectives are progress markers along the way to goal achievement. For example, a goal might be to have a successful initiative that wins Million Makers! Objectives might be your sales targets and some specific measures of success.

2.2 Team Members

Names of all team members and roles within the team. Please also include your individual personal development objective(s)

First Name	Surname	Team Role	Personal Development Objectives

2.3 Team Advisors

Names of your Prince's Trust contact and any internal or external mentors

3. Products and Services

3.1 Product 1

- Describe in depth your product, service or activity
- What's the pricing of your product or service
- What/who is the target market

3.2 Product 2

3.3 Product 3

And so on...

4. Marketing Plan

4.1 Market research - Why?

No matter how good your product and your service, the venture cannot succeed without effective marketing. This is not only marketing the product but also understanding your target market and the need for the product or service. This begins with careful research. It is very dangerous to assume that you already know about your intended market. You need to do market research to develop the product/service and make sure you're on track.

4.2 Market research - How?

For the purposes of this competition, the most effective form of market research is Primary Research; that is, gathering your own data. For example, you could do your own traffic count at a proposed location; do surveys or focus-group interviews to learn about consumer preferences; and check out whether your initiative (or something similar) has been tried successfully in your company before. You may also take into consideration lessons learnt from previous Million Makers teams from your company.

4.3 Target Market

In your marketing plan, be as specific as possible; give statistics, numbers, and sources. The marketing plan will be the basis, later on, of the all-important sales projection.

- Identify your targeted customers, their characteristics, and their geographic locations, otherwise known as their demographics. The more specific you can be the better. What will prompts them to spend and from who.
- The description will be completely different depending on whether you plan to sell to other businesses or directly to individuals. If you sell a consumer product, but sell it through a channel of distributors, wholesalers, and retailers, you must carefully analyze both the end consumer and the middleman businesses to which you sell.
- You may have more than one customer group. Identify the most important groups. Then, for each customer group, construct what is called a demographic profile:

Age; Gender; Location; Income level; Social class and occupation; Education

For business customers, the demographic factors might be:

Industry (or portion of an industry); Location; Size of firm; Quality, technology, and price preferences

4.4 Competition

- What products and services will be in competition with you? You may want to create a table for this.
- How will your products or services compare with the competition? You may want to conduct a SWOT analysis of your main products/services– strengths, weaknesses, opportunities and threats

- What is your USP – unique selling point?
- Now, write a short paragraph stating your competitive advantages and disadvantages.

4.5 Pricing

- Explain your method or methods of setting prices.
- Does your pricing strategy fit with what was revealed in your competitive analysis?
- Compare your prices with those of the competition. Are they higher, lower, the same? Why?
- How important is price as a competitive factor? Do your intended customers really make their purchase decisions mostly on price?

4.6 Distribution Channels

How do you plan to sell your products or services? Also consider how you will collect payment, this is a very important point to consider.

4.7 Promotion

- How will you get the word out to your customers?
- Advertising: What media, why, and how often?
- Have you identified low-cost methods to get the most out of your seed funding investment?
- Will you use methods other than paid advertising, such as dealer incentives, word of mouth (how will you stimulate it?), and network of friends or professionals?
- What image do you want to project? How do you want customers to see you?

4.8 Promotional Budget

How much will you spend on the items listed above before startup? (These numbers will go into your startup budget.)

4.9 Marketing Calendar

- Make sure this is in chronological order
- Have you spoken to your marketing team to confirm support?

Marketing activity	Million Makers schedule	Social media	Email comms	Print materials	Cost	Audience size
June	Dragon's Den panels	<i>Announcement of success</i>			£0	<i>1,200 followers</i>
July 1 st	Fundraising begins	<i>Initial introductory post on company's social media and team social media.</i>	<i>An email to all staff letting them know that our team will be fundraising over the next several months for The Prince's Trust. [Link to PT website]</i>	<i>A poster that introduces Million Makers and the team to the whole company. [Use an image of the team and the MM logo]</i>	£20	<i>500 staff members in head office</i>

5. Startup Expenses and Capitalization

You will have many startup expenses before you even begin your initiative. It's important to estimate these expenses accurately so that you can pitch for your seed funding effectively. The more thorough your research and planning efforts, the less chance that you will leave out important expenses or underestimate them.

There are two ways to make allowances for surprise expenses. The first is to add a little "padding" to each item in the budget. The problem with that approach, however, is that it destroys the accuracy of your carefully wrought plan. The second approach is to add a separate line item, called contingencies, to account for the unforeseeable. This is the approach we recommend.

Explain your research and how you arrived at your forecasts of expenses.

6. Financial Plan

The financial plan consists of a 6 month profit and loss projection and cash-flow projection. The process of thinking through the financial plan will improve your insight into the financial workings of your team.

Remember: You should not re-invest more than 50% of your funds without having this signed off by your Prince’s Trust contact.

6.1 Six Month Profit and Loss Projection

This is where you put your ideas together in numbers and get an idea of what it will take to make a profit and be successful.

Your sales projections will come from a sales forecast in which you forecast sales, cost of goods/services sold, expenses, and profit month-by-month for the 6 months of the challenge.

Profit projections should be accompanied by a narrative explaining the major assumptions used to estimate company income and expenses.

Income	Notes*	£
<i>Example</i>		
<i>Auction</i>	1	4,000
<i>Car wash</i>	2	500
	Total	4500

*Notes – detail as to how income figure achieved

1. 5 lots estimated to raise £4000 based on auctioneer estimation
2. 100 cars washed for £5

Expenditure	Notes*	£
<i>Example</i>		
<i>Auction</i>	3	250
<i>Car wash</i>	4	50
	Total	300

*Notes – detail as to how expenditure figure is achieved

3. Auctioneer costs
4. Costs of shampoo and equipment for 100 cars

Total Profit/Loss - Income minus expenditure; *Example: 4500-300= 4200*

6.2 Projected Cash Flow

If the profit projection is the heart of your business plan, cash flow is the blood. Every part of your business plan is important, but none of it means a thing if you run out of cash.

The point of this is to plan how much you need before startup, for preliminary and operating expenses. You should keep updating it and using it afterward. It will enable you to foresee shortages in time to do something about them—for example by cutting out expenses.

There is no great trick to preparing it. The cash-flow projection is simply an outline of how you see the income and outgoings from your account looking.

For each item, determine when you expect to receive cash and when you will have to make a payment.

Please note that income received via online payment sites such as JustGiving will be paid directly to The Prince's Trust and therefore cannot be reinvested into your business plan. You may want to record this as separate to the rest of your income.

Capital In	August	September	October	November	December	January	Total
Auction	4000						4000
Raffle			500				500
Car wash					500		500
Monthly goods sale	100	100	100	100	100	100	600
Total	4100	100	600	100	600	100	5600
Capital Out	August	September	October	November	December	January	Total
Auction	250						250
Raffle			50				50
Car wash					50		50
Monthly goods sale	200						200
Total	450		50		50		550