



*Make your own business
plan!*

www.nyforetagarcentrum.se

Why do you have to make a business plan?

The effort to make your own business plan for the business you plan to start is essential for your future success.

Only when you have started this plan will you have sufficient information to help you decide whether or not to start your own company.

The business plan also provides your business associates, such as the bank, the insurance company, the accountant and others, information about your intentions. They are entitled to this information in writing. When you write your business plan, do it in such a way that makes it easy for you to change over time. A business plan is always liable to change as the conditions change.

The business plan is required:

- So that the financier (the bank) can judge the risk in your new business
- So that you can estimate the strengths and weaknesses in your company
- To show other co-operators and partners what an interesting and profitable venture you have
- To make it easier in discussions and negotiations with future customers and suppliers
- Most of all to make all the practical work easier when starting the business

Good Luck!

This business plan has been drawn up by:

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In co-operation with advisor:

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At NyföretagarCentrum:

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1. The business concept – what is the company going to work with and make money from?

The company's working name

The Bolagsverket in the town of Sundsvall is the authority that approves what name the company is allowed to use. Always use a working name on your company until your name is approved. We recommend that you always register a company name, even if you run a private firm. This provides you with a name protection. Try to make a connection between the company name and the business concept.

Line of business

In what line of business are you planning to work? When you state this to the Bolagsverket this will also be registered in your application. If you later decide to change your line of business it is important to inform the Bolagsverket about this. Otherwise costs related to the new line of business may be rejected by the accountant or the tax authorities.

Products or services

To sell services is different from selling products. Often it is more difficult to describe the service. This is why it is very important that you carefully describe what is included in the service that you offer to your customers. Perhaps you can include different extras in your service to make it more attractive and competitive.

Trading

Trading covers everything from a small tobacco shop to a wholesaler. Try to describe how the trading will take place and who will be involved. Will you need a warehouse? How wide a range of assortment do you need at the starting point?

Goods/production

Are you planning to start or take over machinery for production? Try to describe possible middlemen and how your niche will function in your line of business. Do you have any experience with machinery for production? Will your line of business be something completely new or is it unique in any other way?

Target groups and customers

Do you have one or several target groups? Can you estimate the size of the various groups? Maybe you already have specific names of some customers? How can you get in touch with the various target groups or customers and make them aware of your services and products? Maybe the course of action itself is a line of business? Many companies, small in the beginning, have succeeded in gaining market shares thanks to a clear philosophy. They choose a unique way – creating their own method.

Target orientation and business concept

Try to describe what the source of profit will be in your company. The description must contain what type of service you will provide or what product you plan to sell. How will you carry out your business? Describe limitations such as geographical limits and specify specialities.

Remember the purpose of the business – for instance is it a low-price business or a quality business?

Companies that ignore having a line of business or just state that they want to make profit doesn't have a firm base to build their business on. A company without aim is often less attractive to do business with.

Note: Everyone who asks about your business concept must immediately understand it. It doesn't need to have any difficult words or expressions. Customers, co-workers, people in the business, your relatives and others, must understand your clearly worded business concept.

After a while and when you have stated your business concept repeatedly, the different participants will catch on to what you are working with and what you are selling.

Business concept

Company working name:
Line of business:
Services:
Trading:
Goods/production:
Target groups/customers:
Target orientation/business concept:

2. How will you function as an entrepreneur?

Experience

What have you been working with until now? Give a short description of your experience in the line of business you plan to start. Most people who start a business have been working in the same area for many years. When you start your own business you bring along the experience from your former employment and often also contacts and customers.

On the other hand, if you start a company in a completely different line of business you will have to convince others about your skills and abilities. It is a good idea to enclose your CV with the business plan.

Your experience as an entrepreneur

Do you have any experience as an entrepreneur? Are any of your friends or relatives running their own company? Describe your experience.

Private financial situation

Nowadays banks and credit institutions often claim that the entrepreneur should provide the risk capital. This means that it is you who must put up the money that is the risk money when the company starts the business. If you fail in your effort to run the business this is money that you will lose for ever. In some cases the risk capital can be the share capital or part of it in the company.

Even if you don't plan to borrow money from the bank you may want to have an account with a running credit (checkcredit). The bank will scrutinize your financial situation before approving any credit. If you already have large loans and have difficulties raising risk money you're off to a bad start.

How much of your private money are you able and willing to risk?

Domestic situation

Is there anyone backing your idea?

Personal characteristics

What characteristics are required to succeed as an entrepreneur? Try to find a role model and list the characteristics that he or she holds. Often you describe a successful entrepreneur as somewhat greedy, leading and being visionary. Describe your own personal characteristics. What makes you suitable for running a firm or a company? Are you a good salesperson? Can you multitask?

Personal network

Do you have many people within your personal network? When things pile up and the problems seem unsolvable it is time to look for some help among your contacts. Perhaps some of your biggest and most important customers are part of your network. Make a list of names of the persons that are your network today and whom you believe are able to help you.

Links between you and the business concept

What links you to your business concept? Could someone else, without your background, knowledge and experience start a company with your business concept? Try to be convincing! Finally, do you have the ability to sell yourself? If you can't sell your ideas and your services/products, then who can?

Partnership

Unfortunately many partnerships end in broken friendships. If you are planning to start a business with a partner he or she should add something to your skills and personal knowledge. Ask yourselves who is doing what in the company?

You need to draw up a partnership agreement before you start your business. In this agreement you should put rules about dividing profits, terms of selling shares and other important matters concerning your business relationship. It is wise to get help from a lawyer or an attorney.

Business ethics

Your reputation as a businessman/woman is important. By acting with high morals you will be judged by others as a serious businessman/woman. Acting on the edge of the law is of course dangerous but it can be equally dangerous to be looked upon as someone who is unethical or unreliable.

2. How will you function as an entrepreneur?

My experience in this line of business:
My experience as an entrepreneur:
My private financial situation:
My domestic situation:
My personal characteristics:
My personal network:
Links between myself and the business concept:
Partnership:

3. The market and your customers

Reliable customers

Do you already have customers who you know will buy from you? Make a list of everybody you think will buy from your company.

How does the typical customer look and where are they to be found?

Describe a typical customer in your business. Within what geographical region do you find your customer? Are the customers private persons, companies, public organisations or someone else?

How big is the total market?

Find out how big the market is within your range of business. How much is the total market turnover and how much is it in your geographical area? Put up a goal. How much of the total market do you want in your business? This will give you a perspective on how big or small the market is and what competition you are up against.

How to reach the market

Make a market plan for the first year of the business. State what actions and means you intend to use in order to reach the customers with your business. Are you planning to sell with personal visits or over the phone, or are you planning to advertise?

It is important to plan the exact time of your various actions and also to estimate the cost for each action.

Augmented product

A reason why the competitors are established is the fact that they have made an effort to get into the market and stay there. Analyse what the competitors do well and what they do badly before you decide upon how your business should be run. To do exactly the same as everyone else is probably the most difficult way to establish yourself in the market. Is there a niche or a way to present your product that will appeal in a certain way to the customers? Out of what is your product built? What features does it hold?

How does the customer pay?

Will your customers pay in cash (or with a credit card) or do you have to send an invoice? What will the terms of payment be? Thirty days, ten days? These are important questions to answer in order to get a grip of your cash flow.

How much and how often does the customer buy?

How often do your customers buy? Are their variations in season? How faithful are the customers?

Describe the competitors

Make a competitors analysis. Get a copy of the annual report of the biggest competitor from Bolagsverket (only possible if it is a ltd company). Ask your friends what they think about the company. Then tell them about your own ideas and ask for their opinion.

Describe the competitors and their mixture of products and service.

3. The market and your customers

My reliable customers/ assignments
How does the typical customer look and where are to be found?
How big is the total market?
How will I reach the market?
How do I pack the product/service with good value for the customers?
How does the customer pay?
How often and how much does the customers buy?
Describe the competitors and their products.

4. Marketing, advertising and sales

It is very important that you introduce your company to the market in an effective way. You need to get noticed in a way that makes it easy for the customers to find you.

The market plan

What are your plans for marketing your company during the first year of business? Will you be selling services and/or products? What method will you use when selling? Write down, month by month what different activities you plan to use. Be realistic when making your business plan – it takes time to become well known and establish a good reputation among your customers. How much money do you plan to spend on marketing?

Do you need to hire someone to help out with selling, to make appointments through telemarketing or to construct a website? What will be the cost? How much can you do yourself?

Remember to use your personal network. Find out how much each activity costs, and then transfer this cost to your budget.

Aids and facilities

Many people consider marketing and advertising to be the same. But marketing is so much more than just advertising. Marketing can also be how the product is described and presented to the market. The way the personnel acts and their skills are also crucial elements in marketing. Opening hours, the geographical location, pricing, terms of payment and so on are other important factors in your marketing strategy.

Selling, advertising, printed matters

There are numerous sorts of different aids and facilities to use in your advertising:

- Personal selling
- Vending letters and e-mail
- Direct Marketing
- Advertising
- Web pages and banners on the web
- Reports in newspapers
- Exhibitions

Internet

Having an e-mail address is near enough obligatory today. A home page or a more developed site on the Internet can also be an important tool to help with marketing your company and yourself.

An increasing number of companies are using the Internet to present information about their products and also allow their customers to make reservations and buy products. The Internet today is a huge marketplace and is expanding rapidly. If you decide to use the Internet in your marketing remember that your homepage or site always needs to be up to date. This requires time and money. Also make sure that your site is easy to find through the various search engines on the web. Make your web pages available with links to other companies' sites.

4. Marketing, advertising and sales

Make a list of aids and facilities for marketing:

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

Publicity, printed matters, advertising etc.

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.

Logotype:



5. Administration, agreements, insurance, premises and other practicalities

Who is doing what?

There are a number of administrative and practical things that need to be taken care of in a company. These range from handling matters at the bank to paying the taxes and other fees. Think about who should handle each and every matter in your company. Even if you are the only one working in your company you will need help with a lot of what is described in this chapter.

Agreements, rental agreements, partnership, retail

Make sure you can provide all agreements you made. Always confirm all agreements in writing or you may meet considerable difficulties if you get into a disagreement. Consider using a lawyer before signing any agreements. What may look like a fairly simple and innocent agreement may turn out to land you in serious trouble. How and where would you keep these valuable papers?

Permits

In some lines of business special permits are required by local or governmental authorities. Make a list of all the permits you need in your line of business.

Insurance

Insurance is often a low priority. However it is important to remember to take out insurance against discontinuance, responsibility, burglary and theft as well as for property, legal aid, life insurance, illness and pension. What would happen with your company if you become ill for a period of time? You can find a wide range of different insurance at different insurance companies and also at organizations for business people. Don't forget insurance against unemployment (A-kassa).

Location and premises

Where do you plan to locate your business? To start the business in your own home often means low cost but can be devastating for business and also for your face-to-face contact with other people. It is essential to show yourself and be looked upon as a serious business person. Describe where you plan to have your place of work and how you will run things.

Board

Use your board, if you have a limited company, to strengthen your skills. Who is suitable to be a member of the board? What skills and experiences do they have? It is becoming increasingly usual that banks demand a competent board if you want to do business with them.
Can you find a mentor to help you when starting the company?

5. Administration, agreements, insurance, premises and other practicalities

Bank:

Budget:

Book keeping:

Closing of books:

Economic statement:

Invoices, billing:

Insurances:

Selling:

Marketing and advertising:

VAT:

Ordering and purchase:

In-payment and disbursement:

Employees:

Post:

Accountant:

Taxes and fees:

Agreements:

Permits:

Premises:

Board:

6. Network

Being alone is not being strong!

To run a company today is somewhat different than it was ten years ago. Changes occur rapidly. Many people handle their sales activities by personal contacts. Another word for contacts is network. It is no coincidence that successful business people have a vast network. Make a systematic inventory of your own network and write it down in your business plan.

Within the business community there are numerous networks for business people. Amongst others, organizations such as Företagarna, Svenskt Näringsliv, and various organizations for different lines of business, are important factors in building your own network. When you are new in a business it is essential to make many new contacts. The first period of time can be trying and feel strange. To have a sounding-board when it comes to your business is valuable. Ask your advisor at NyföretagarCentrum if you can get help with making important contacts for your business.

The Board

The board becomes increasingly important in a small company. Often the board consists of the owner and his or her partner. Board meetings and shareholder's meetings then become a formal product on paper. Is this right?

The board should instead, at least a couple of times every year, discuss matters concerning the business concept and new possibilities of development. Instead of hiring a marketing consultant perhaps you can offer someone suitable a place on the board, with or without a fee depending upon your relationship to the person. You don't have to have a board if you run a trading company or a private company.

Use your personal network as a resource whatever type of company you run.

My network

Sales person:

Accountant:

Insurance advisor:

Bank connection:

Real estate:

Business organization:

Marketing consultant:

Lawyer:

Experts:

Economist:

Mentor:

The Board:

7. Type of business and permits

What type of company suits your business concept?

When you analyze your business concept, your market and your customers, you must consider the advantages and disadvantages concerning the various types of companies that are available in Sweden: aktiebolag (limited company), handelsbolag (trading company), kommanditbolag (limited partnership), enskild firma (private firm) and ekonomisk förening (economic association). Put the company's interest ahead of your own personal interest.

From your point of view – what type of company is the best?

Which type is your personal favourite? What is the risk in relation to the capital investment?

Is it likely that you will change the type of business?

If you start your business with a private firm think about what will happen if you have a rapid expansion. Do you plan to live solely on your business?

Do you plan to buy a limited company?

You can found your own limited company or buy an already existing company (lagerbolag). To buy an already existing limited company is often simpler but more costly.

Are special permits required to start the business?

Companies that are in business with transport, serving alcoholic beverages or selling in public places require special permits. If you run a business providing health care you also need a permit and there are certain restrictions to consider. The Labour Inspectorate and the Fire Department are authorities that you may have to contact.

Registration of the firm

The question about what name you are going to use for your company may take some time to solve with the Bolagsverket. If you have already filed your registration and perhaps even started your business you are personally responsible for everything that you do in the company. Your new business will have a registration number.

Application for VAT is filed at the tax authorities. You are obliged to account for VAT from the first *krona* that you earn in the company.

The tax authorities have extensive information on their website – www.skatteverket.se

Taxes and fees

You are obliged to fill in the form *Skatte- och avgiftsanmälan* and file it at the tax authorities (Skatteverket). On the website www.foretagsregistrering.se you can file both your tax application for VAT and *F-skatt* to the tax authorities and register the business at Bolagsverket.

The *F-skatt* is an important part of your application. To qualify for *F-skatt* you need to show that your business is independent, is for the purpose of profit and is lasting.

If you plan to run a business at the same time as you are an employee, you should apply for *F/A-skatt*.

An accountant is required if you start a limited company

In a limited company you are, by law, required to have a qualified accountant (godkänd or auktoriserad revisor). Talk to several firms. The chemistry between yourself and the accountant is also important.

7. Type of business and permits

What type of company suits your business concept?

Type of company

Advantages:

Disadvantages:

From your personal view – which type of company is the best?

Can you foresee a change in the type of company you are running in the future?

Are you considering buying a company?

Are there special permits required to establish the business?

Is the business registered at Bolagsverket?

If it is a limited company – is the matter of a qualified accountant solved?

8. Economy, cash flow-budget, profit & loss-budget and financing

To make a budget of any sort may appear to be a guessing game. However, making a realistic budget is a very important tool for running the business properly.

To put up goals for the business is also important. Try to think through the details of your everyday activities to avoid unpleasant surprises.

Your budget is also needed to file your tax forms to the tax authorities.

Many small businesses make the mistake of not planning and following up the company's economic situation.

On the following pages you will find forms to help you plan your company's economic and financial situation.

You can find additional material on the website *www.nyforetagarcentrum.se* or on the CD-version of the Business Plan that your advisor can provide you with.

Cash flow-budget (likviditetsbudget). A monthly budget showing the flow of money in and out of the company.

Capital requirements. An estimation of how much money you need to invest in the short perspective and in the long term.

Profit & loss budget. Estimated costs and revenues on a yearly basis.

In this business plan you will find two different forms for the cash flow budget depending on what type of business you run. The difference lies in private withdrawal and salary. You will also find payment of VAT or VAT paid back to you from the tax authorities in the cash flow budget, as opposed to the profit & loss budget. The reason for this is that the VAT isn't a cost in a company. It is the customer who pays the VAT and the company is only taking care of the transfer. However, the VAT may have an effect on your cash flow.

The budget for capital requirements is divided into several sections. The first helps you to calculate the cost of investments for machines, inventory, buying or renovating the company premises and costs of marketing. In the second section you calculate how much working or floating capital you need when you start your new company. You need money to buy goods and other necessities and it will take some time before you get paid. It may also be wise to have a buffer of x percent of the investments and the floating capital. The total amount of the investments and the floating capital must be found in the financing column (on the right side). You can finance your business venture with loan capital and equity capital or money of your own. Even if you don't plan to take up any loan to start your business it can be useful to have an overdraft facility. The sums in both columns must be the same.

The profit & loss budget is different depending on the type of business concerned. Just as in the case of the cash flow budget, this has to do with the salary and the private withdrawal. In the limited company you are, as an owner, employed in your own company and thereby you also get a salary.

If you run a private company and don't do any private withdrawal you still have to pay social fees (egenavgifter) if your business shows profit.

Cash flow-budget, profit & loss-budget and financing sheets are enclosed as Excel files

9. Starting decision and time plan

What date do you plan to start the business?

Sliding deadlines can be devastating for the business start. The deadlines are required to make things happen. Every extra day cost money. Often it takes a lot longer to get the business started then was estimated. The revenues often takes longer to get and the costs appear earlier than was expected.

What measures must be taken before starting the business?

Use the opposite side to summarize what needs to be done now that the business plan is set up. What needs to be done in the start process? How will the future cooperation with people in your network look?

10. Strengths and weaknesses

Strengths and weaknesses in your business plan – how will you handle the weaknesses?

In the different parts of the business plan you probably will find stronger and weaker solutions in your different arrangements. Those who read your business plan are looking for the weak parts. A good idea is to point at the weak part yourself tell how you plan to strengthen it. This will increase the credibility of your presentation. However, don't forget to enforce the strong parts in your business concept. Return to the business plan continuously to improve it – it pays off. Even large companies lose track now and then. With a business plan it is easier to stay on track.

		Recon- sider	Needs attending	Needs to be comple- mented	Accept- able	Good
1.	Business concept – what is the company going to work with and make money from?					
2.	How will you function as an entrepreneur?					
3.	The market and your customers					
4.	Marketing, advertising and sales					
5.	Administration, agreements, insurance, premises and other practicalities					
6.	Network					
7.	Type of business and permits					
8.	Economy, cash flow-budget, profit & loss-budget and financing					
9.	Starting decision and time plan					

Strengths and weaknesses in your business plan – how will you attend to the weaknesses?
